



# **Mastering the Marketplace: Consent, Coercion, and Constructing Difference among Nairobi's Informal Workers**

by Rachel Elizabeth Reichenbach

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MASTERING THE MARKETPLACE:  
CONSENT, COERCION, AND CONSTRUCTING  
DIFFERENCE AMONG NAIROBI'S INFORMAL  
WORKERS

A Dissertation

Presented to the Faculty of the Graduate School  
of Cornell University

in Partial Fulfillment of the Requirements for the Degree of  
Doctor of Philosophy

by

Rachel Elizabeth Reichenbach

August 2010



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MASTERING THE MARKETPLACE:  
CONSENT, COERCION, AND CONSTRUCTING DIFFERENCE AMONG  
NAIROBI'S INFORMAL WORKERS

Rachel Elizabeth Reichenbach, Ph.D.

Cornell University 2010

The global labor force continues to undergo complex processes of informalization and urbanization, especially, in African economies. So far, however, studies of these processes have been mostly preoccupied with monitoring the size, growth, working conditions, economic returns, and types of informal work. This dissertation complements and expands the existing literature by exploring the historical, political, and sociological processes that have contributed to global and national understandings of informal work

In Kenya, informal employment comprised more than 75 percent of total employment in 2004 (Republic of Kenya 2005b). Despite the potential for a large unified constituency, informal workers remain politically marginalized and divided, unable to mobilize for collective rights. This research seeks to understand this marginalization by exploring the effects of international and national relations of power in the field of informal work. Through both primary and secondary data collection, this project uncovered relations of power between multilateral organizations (particularly the ILO, World Bank, and IMF), Northern academic institutions, powerful Northern States (particularly the U.S. and the U.K.) and the Kenyan State, which have influenced the construction of global and local informal identity.

This work also exposes mechanisms of power operating in the field of informal work, including normalization, consent, and coercion, and economic control that have limited the degree to which informal workers see themselves as a collective force or find social

or political solidarity with other informals. Without this collective identity, informals have been unable to form a strong front to lobby for political representation despite their legal claims to it.

Evidence presented in this study reveals that informal workers face a number of barriers to collective mobilization including government repression, co-optation of leadership, political patronage, fomenting of ethnic divisions, and policies that privilege elites. Informals have formed both large and small organizations to combat these elements with limited success. Recently, however, an umbrella organization of hawkers and traders has been formed, uniting over 5,000 workers to lobby for representation on the current draft of the Micro and Small Enterprise Bill. This study finds that informal workers are not passive recipients of structural forces but actors who negotiate power and contest marginalization. These are positive signs that informal workers are beginning to mobilize for lasting political and social change that will help them support their livelihoods and improve their lives.

## **BIOGRAPHICAL SKETCH**

Rachel Reichenbach was born in St. Paul, Minnesota in 1982 to Bruce and Sharon Reichenbach. She has one brother, Robert. After completing high-school at Minnehaha Academy (MN) she matriculated to Wheaton College (IL), and earned a Bachelors of Arts in Anthropology and a certificate from the Human Needs and Global Resources program. By the time she was 20, she had traveled to all the continents and had lived in both Kenya and Rwanda. Rachel earned a Masters of Science in Development Sociology from Cornell University (NY) in 2007. Summer 2009 she married fellow Cornell graduate student Douglas Mitarotonda in a very special ceremony in Ithaca. Rachel and Doug now reside in Oakland, California.

To those who fight against all odds for their own dignity and  
to those who stand up for the downtrodden

## ACKNOWLEDGMENTS

The road to the Ph.D. is necessarily dependent on the generosity of many. First and foremost I thank my chair Parfait Eloundou-Enyegue for his timely responses to inquiries, thoughtful feedback on drafts, and willingness to engage in discussion even when numerous commitments were piling up on his desk. Rarely have I met someone so concerned for his students and committed to their success as Parfait.

I am also grateful to committee member Fouad Makki for making time for our discussions on diverse subjects ranging from Marx to Eritrean history. As his student, I feel privileged to have experienced his depth of insight, commitment to both the academic institution and the field of sociology, and brilliantly lucid writing.

Thanks are also due to committee member David Lewis whose personable approach gave me the confidence to keep moving forward. Dave's attention to detail and thoughtful questions pushed me to explore new fields of inquiry and helped me produce a quality product.

Those who have generously facilitated my field research in Nairobi are too numerous to name and too foundational to leave out. To them I dedicate this dissertation. In particular, I am grateful for assistance from Ann Miller and family, Lynda Wangia, Ian Wanga, David Opap, Andy Harris, Sade Owolabi, David Driskell, Faith Mullumba, Wise Sycolya, David Momanyi, Munish Starroy, Esther and family, James, Grand, and many others. A special thanks to my researchers John Barasa, Malele Ngalu, Charity Mkono, Tonny Munene, and especially Kyalo Ngula who put in long hours at the marketplaces and was a knowledgeable reference in Kenya. Margaret Grieco also must be singled out for her mentorship and guidance in navigating the professional and academic world. Her imperturbable spirit and resilience against gender inequity are refreshing and a continued source of inspiration.

The field research component of this dissertation was made possible by generous grants from the Mario Einaudi Center for International Studies, Cornell University Graduate School, and the Polson Institute for Global Development. Regardless of these sources of support, advice, and encouragement, all errors or omissions are mine alone.

Through this process I have never walked alone. Family and friends have been a tremendous source of support and encouragement. My dad requires a special note of thanks for his considerable effort in copy-editing this dissertation. He and my mom have been constant motivators and champions throughout this process, not to mention kindly providing me with housing and food in Nairobi. Thanks also go to Rob and Kristen for their inspiration and optimism. I am also deeply appreciative of support from my aunts, Gayle, Kathy, and Donna for their constant advice to “stay strong” and “soldier through.” Also to Carol, Dale, and the rest of my “new” family, for their constant encouragement and enthusiasm as the process has come to an end. And Jennifer, friendships like ours are rare and I cherish it.

The brilliance of my graduate school friends Andrea, Sara, Vongai, Dela, and Marygold must not go unmentioned. Their commitment to thoughtful scholarship was a source of inspiration for me for the past six years and I fondly hold on to our many happy memories on the hill. The most productive work is always balanced by play and my girl-friends Neela, Jennine, Weilin, Meghl, Jin, Nikki, Sterling, and Jackie know how to live life to its fullest. Thanks for many happy memories of road-trips, knee-deep mud, and never enough Ultimate.

And last but not least, to Doug, the love of my life, thanks for all your genius with formatting and for supporting me along the way. I’m looking forward to life after dissertations!

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## **LIST OF ABBREVIATIONS**

ACEG	African Centre for Economic Growth
AMEGA	Association of Makers of Gifts and Allied Articles
CBD	Central Business District
CBS	Central Bureau of Statistics
COTU	Central Organisation of Trade Unions
CSE	Chicago School of Economics
EAA	East African Association
EPZ	Export Processing Zone
GBM	Green Belt Movement
GDP	Gross Domestic Product
GNP	Gross National Product
GTZ	German Government Aid Agency
IBRD	International Bank for Reconstruction and Development
ICDC	Industrial and Commercial Development Corporation
IDC	Industrial Development Corporation
IDS	Institute for Development Studies
ILD	Institute for Liberty and Democracy
ILO	International Labour Organization
IMF	International Monetary Fund
ISI	Import Substitution Industrialization
K-REP	Kenyan Rural Enterprise Programme
KANU	Kenya African National Union
KAU	Kenya African Union
KEM	Kikuyu, Embu, and Meru
KENASVIT	Kenya National Alliance of Street Vendors and Informal Traders
KHRC	Kenya Human Rights Commission
KIE	Kenya Industrial Estates
KILM	Key Indicator of Labor Markets
KMAP	Kenya Management Assistance Program
KNFJKA	Kenya National Federation of Jua Kali Associations
KPU	Kenya Peoples' Union
Ksh	Kenyan Shilling
KSTES	Kenya Small Traders and Entrepreneurs Society
LFA	Land and Freedom Army/Mau Mau
MSEs	Medium and Small Enterprises
MSETTP	Micro and Small Enterprise Training and Technology Project
MTTAT	Ministry of Technical Training and Applied Technology
MYK	Maendeleo ya Wanawake - Progress for Women Organization
NARC	National Rainbow Coalition

NCC	Nairobi City Council/Commission
NCKK	National Christian Council of Kenya
NCWK	National Council of Women in Kenya
NGO	Non-Governmental Organization
NISCOF	Nairobi Informal Sector Confederation
NORAD	Norwegian Agency for International Development
ODA	Office of Development Assistance
PCP	Petty Commodity Production
ROK	Republic of Kenya
ROSCAS	Revolving and Savings Credit Associations
RWG	Redistribution with Growth
SACCOS	Savings and Credit Cooperatives
SAPs	Structural Adjustment Programmes
SDR	Special Drawing Rights
SNA	Social Network Analysis
SSEs	Small Scale Enterprises
UATA	United African Traders Association
UN	United Nations
USAID	United States Agency for International Development
USD	United States Dollar
WEP	World Employment Program
WIEGO	Women in Informal Employment Globalizing and Organizing
WSF	World Social Forum
WSF	World Social Forum
YP	Youth Polytechnics

## CHAPTER 1

### **POWER AND KNOWLEDGE IN THE FIELD OF INFORMAL WORK**

The global labor force continues to undergo complex processes of informalization and urbanization especially, in African economies. Informal employment in Kenya composes more than 75 percent of total employment in 2004 (Republic of Kenya 2005b). Despite the potential for a large unified constituency, informal workers remain politically marginalized and divided, unable to mobilize for collective rights. This research seeks to understand this marginalization by exploring the effects of international and national relations of power in the field of informal work. To ascertain these effects, mechanisms of power including normalization, coercion, consent, and economic control are investigated.

The analysis of the relations of power among informal workers explores informal workers' perceptions of identity compared to external notions of informality. This study finds that informal workers are not passive recipients of structural forces but actors who negotiate power and contest marginalization. By exploring the power relations and mechanisms of power that influence global understandings of informality and how informal workers negotiate these influences in their daily lives, this research offers an exciting new multi-level perspective on informal work.

#### **1.1 Research Questions and Hypotheses**

In order to analyze the effects of international and national relations of power in the field of informal work, this work proposes the following questions:

- What forms and agents of power are involved in constructing marketplaces and the identity of those who work within?

- How do these forms and agents of power influence development strategies and policies targeting informal workers?
- How do retailers perceive their identity and place in society in relation to their understanding of state and international policy?

According to the theoretical premises on which this paper rests, the following hypotheses are examined:

- Academic institutions, international organizations, state and local government, and local social movements influence the construction of informal identity, albeit with differing levels of influence.
- Groups in power privilege elite interests and their control of knowledge and material production. As a result, policies meant to benefit informal workers also minimize class-consciousness and social mobility. As long as informal workers lack the solidarity needed to form a social movement, they can be controlled and manipulated to maintain the status quo.
- Informal workers can exert influence over their own identity, spatial distribution, and understanding of valuable social processes and forms of organization through contestation and resistance. However, this influence is limited by powerful forces. The power structure in Kenya has encouraged divisions based on the occupation, ethnicity, religion, socio-economic status, and gender of workers, affecting the ability of informals to develop a broad-based social movement to fight for livelihood rights, legality, and democratic processes.

These hypotheses were evaluated using primary and secondary data collected in the field and through a historical analysis of development discourses and national policy. Yet, these hypotheses lack clarity without an understanding of the terminology used in this study. The following section seeks to clarify what we mean by informal work.

## **1.2 What is Informal Work?**

External categories of knowledge have been applied broadly to synthesize many different types of labor-market activities resulting in a bifurcation of labor-market termi-



nology according to modernist conceptualizations of “productive” and “unproductive” work (ILO 1972; Fields 1990).<sup>1</sup> With rising rural-urban migration and low urban job creation, the notion “the informal sector” emerged as a key conceptual framework for understanding the survival mechanism of the masses of people not accounted for in official employment statistics. However, over time, these terms fell out of favor as the development discourse surrounding social problems of the global South evolved. Contemporary scholars of informal work face a large challenge in untangling the plethora of overlapping definitions applied to this segment of the labor force. This section illuminates key debates over terminology in the study of informal work (as listed below) and clarifies the definition of informal work as used in this thesis.

- Traders and Hawkers
- Informal Sector (Urban and Rural)
- Petty Commodity Production (PCP)
- Medium and Small Enterprises (MSEs)
  - Small Scale Enterprises (SSEs)
  - Micro Enterprises

### **1.2.1 *Traders and Hawkers***

The earliest institutional recognition of informal work in Kenya occurred in the colonial period. Traders and hawkers were depicted in colonial documents as a necessary scourge — needed for food provision to keep urban labor costs low but a general nuisance and danger to European sensibilities. Under the colonial regime, unlicensed traders and hawkers were considered vagrants and referred to derogatively as *spivs*.

---

<sup>1</sup>See Appendix B for a timeline of important dates in the history of informal work in Kenya and internationally.

More recently, term “trader” has been used as a blanket term to describe people engaged in economic exchange, though it conjures up antiquated images of barter and non-cash reciprocity that are rare in Nairobi’s modern marketplaces. In this dissertation, it is employed when discussing economic activity involving the sale of goods (whether self-produced or resale) from a stationary location, whether at the wholesale or retail level. On the other hand, the term “hawker” describes sellers who are ambulatory or work at individual stands on roadsides. Hawking is one of the most visible and marginal forms of informal work and has been studied in detail in Kenya (Mitullah 1991; Chepkurui 1981). Municipal bylaws are particularly harsh towards hawkers, with numerous references to restricting their operations (Gichira 1991). Although there is a tendency to want to group hawking and trading into one category, historically (with a few exceptions) the two groups have had opposing interests and do not see themselves as a united front.

### **1.2.2 *The Informal Sector Debate***

Coined in 1971 by Keith Hart, the term “informal sector” was developed under International Labour Organization’s (ILO) World Employment Program to help develop a body of literature around the “working poor.” Rooted in modernization theory, the informal sector was seen as a secondary, unproductive traditional sector in opposition to the primary, productive, modern industrial sector. Cemented in the ILO’s 1972 Kenya Report, the informal sector was defined by seven key characteristics, including ease of entry, reliance on local resources, family ownership and operation, small-scale (having no or few employees), labor intensive and using basic technology, workers without formal training, and high levels of competition due to lack of market regulation (ILO 1972:6). The confusion between necessary and sufficient characteristics resulted in a

lack of consensus on whether a business must have one of these characteristics, all of them, a critical mass, or key ones to be considered part of the informal sector.

Used to discuss a range of phenomena, including employment, housing, and transport, the term “informal” became overextended. The World Bank’s flagship report on informality states:

The mere fact that we need to employ multiple measures of informality capturing distinct approaches to the sector suggests that we are not clear on exactly what it is and what we should be studying. In all likelihood, we are dealing with several distinct phenomena under this convenient, but arguably unhelpful, umbrella term (2007:1).

In addition, this definition ignored the question of legality that was central to some scholars’ conceptualization of informality (Portes et al. 1989; de Soto 1989; Mead and Morrisson 1996).

The informal sector is often divided into two subsectors: the urban informal sector and the rural informal sector. As discussed in Chapter 3, modernization theory encouraged an urban bias that ignored the rural informal sector. Various labor market models sought to remedy this problem by including at various times a rural or urban informal sector in addition to agricultural and industrial work. Structural adjustment policies near the end of the century sought to reverse this urban bias by creating programs to bolster the rural informal sector and stem the tide of rural-urban migration.

During the 1993 International Conference of Labour Statisticians, the ILO issued a new document clarifying and redefining employment in the informal sector (UN-HABITAT 2006; ILO 2002; ILO 2007; SNA 2004). The theoretical conceptualization of the term remained similar to the older version with a primary emphasis on generalized characteristics such as a low level of organization, small-scale, non-contract based

Table 1.1: Key Changes in Defining the Informal Sector

1993 ILO Definition	1972 ILO Definition
The assets of an informal business belong to the owner and not to the firm or production unit so goods that are used in the business may be used at home also.	Not part of the original definition.
Informal business owners do not keep accounts that allow for a distinction between “the production activities of the enterprises from other activities of their owners and the identification of any flows of income and capital between the enterprises and the owners” (ILO 2007:3).	Considered one characteristic of the informal economy to be a lack of record-keeping; however, many businesses that fit the criteria for informal economy in other ways, kept a basic balance sheet.
Informal businesses include both self and paid employment regardless of seasonality, amount of fixed assets, characteristics of the work site, and whether the labor in this business was primary or secondary for income receipt.	Did not recognize the overlap between sectors.
Informal businesses are not registered meaning “registration under factories or commercial acts, tax or social security laws, professional groups’ regulatory acts, or similar acts, laws or regulations established by national legislative bodies” (ILO 2007:6).	“Registration” was unclear in previous definitions, so that businesses that had obtained a business license but fit the list of characteristics otherwise were not considered informal.
Non-remunerated household labor, subcontracted labor, self-employed professionals, agricultural activities, and most domestic workers should not be considered part of the informal economy.	Did not specify how these forms of labor should be classified.

work, few social protections or worker benefits, and family ownership and employment. At the same time, the ILO attempted to rectify some of the limitations of the previous definition by creating operational definitions that nuanced several key characteristics, including the use of assets, cross-sector work, lack of record keeping, and registration (see Table 1.1). Despite these improvements, the connection between the theoretical and operational definitions remained unclear and was based on characteristics that likely did not apply to every informal business.

### **1.2.3 *Petty-Commodity-Production (PCP)***

Deeply concerned with the dualism evident in the ILO's approach, scholars from the dependency theory tradition formulated a contrasting understanding of labor markets in developing countries. Rooted in neo-Marxist understandings of work, the Petty-Commodity-Production (PCP) school of thought focused on relations of workers to the means of production (Kitching 1980b). Instead of two distinct sectors, PCP theorists saw a continuum of economic activity that was intricately interconnected (Moser 1978). They began to explore connections between productive activities, rather than taking the ILO approach of working to define the characteristics of sub-sectors of production (Moser 1994). Relations between forms of production were seen as the driving force for economic growth. Ultimately, PCP theorists concluded that despite its marginal appearance, petty-commodity-production was intimately tied to capitalist forms of production (Gerry 1978). The question remains as to the mutual benefit of such relationship. Some, like Marx himself, argued that this relationship was exploitative and privileged one form at the expense of the other.

Wherever it takes root, capitalist production destroys all forms of commodity production which are based either on the self-employment of producers, or merely on the sale of the excess product as commodities ... Capitalist production first makes the production of commodities general and then, by degrees, transforms all commodity production into capitalist production (Marx 1972:36).

Theorists in this vein of thought contend that the petty producer will always be subordinate to capitalism due to the inherent exploitation in the linkages between these forms of production (Swainson 1978). To them, the ILO's contention that changes in political policy, within the system of capitalism, can successfully bring about economic and social development was naïve (Gerry and Birkbeck 1981).

Yet, others see a more dialectical relation between different forms. The globalizing forces that have spread capitalism around the world have certainly not destroyed PCP as predicted by Marx. In fact, PCP is less marginalized than expected since capitalist success depends on petty-commodity-producers in a myriad of ways, from sub-contracting, commission selling, and outsourcing (Tokman 1978a; Perlman 1976; Bromley 1978b). Less directly but no less importantly, PCP keeps the cost of urban life and therefore urban labor artificially low by providing a cheap form of import substitution. Yet, capitalism provides the basic equipment, raw materials, access to capital, and access to markets on which PCPs depend (Gerry 1978). By selling inputs at a high price and buying outputs at a low price, capitalist industry is able to profit off of PCP relations. Through such means, capitalists dominate the ownership and control of the means of production; however, petty-commodity producers do have potential leverage in the supply of urban goods and services as well as the ability to exit unproductive forms of production, as we will see later in a discussion of colonial policies and backward linkages in Kenya (Moser 1978; Peña 1997). PCP terminology was popular with dependency theorists in the 1970s but never gained mainstream attention, in part due to its Marxist connotations (McNeill 2004).

#### **1.2.4 *Medium and Small Enterprises (MSE)***

Under the policies of privatization and liberalization enacted from the 1980s onwards the term “informal sector” fell out of popularity with the multilaterals. While discussed in detail in Chapter 4, in summary, multilaterals and ultimately the state employed the rhetoric of entrepreneurship to recast what was considered formally marginal economic activity as what would bring Kenya into a laissez-faire economy (Cross 2000). Medium and Small Enterprises (MSEs) (and its sub-sectors of microentrepreneurs and small-

scale enterprises) were considered approximations of the nascent state of larger industries and could be studied as “firms,” which, with proper business management and capital investment, could become organized and productive like the larger industries (Elyachar 2005).

The MSE sector was further divided into productive (upper-tier) and non-productive (subsistence) sub-sectors (House 1984; Fields 2004a; UN-HABITAT 2006). Small-Scale Enterprises (SSE) and microenterprises in the manufacturing and productive services were widely heralded as having the potential for productivity, growth, and the ultimate goal of graduation of skilled workers into the formal sector. Non-productive sub-sectors included the majority (55–65 percent) of activities categorized as informal by the ILO, such as trading, hawking, and transport (Riley and Steel 2000). Indeed, much of the empirical and policy literature discussing the “informal sector” after 1972 has focused on small-scale manufacturing or small enterprises (see Akoten et al. 2006, 2007, 2007; McCormick et al. 1997, 1998; King 1996; Moyo 2003). Chapter 6 discusses retailers’ contestation or concession to this externally imposed framing discourse.

### ***1.2.5 Perspectives of Informal Work In This Dissertation***

The history of the development of the terminology “informal sector” and its subsequent forms, as discussed above, point to the sociology of the sector. Namely, despite the actual characteristics of informal enterprises, its perceived characteristics of marginality, low productivity, and a temporary holding ground for migrant labor, are what define it both in development literature and in society (Sethuraman 1981:63; Mazumdar 1976:55). To some, the dividing line between informal and formal sectors is so visually apparent that a concrete definition is superfluous. This analysis recognizes the popular

perception of informality as important, especially when discussing how the constructed identity of informals influences their own understanding of their work. Thus, this study uses the term “informal sector” to recognize this popular perception of a group of casual, subsistence, and transient workers.

However, this work views the casual empiricism of the popular understanding of informality as insufficient for a detailed look at the nuances in and development of labor market bifurcation, preferring instead to employ the term “informal work” to describe all labor activities (full-time or part-time, waged or self-employed, primary or secondary income), where the employer is not registered with the government in a way that he or she is obligated to pay worker benefits such as social security (however the employer still may decide to do so — see Daily Nation 2009b, 2007d) or pay Value Added Tax (VAT). The business still may have a license to operate legally or be taxed daily. Other characteristics used to define informality, such as small-scale, survival level, unregulated, unorganized, operating out of temporary structures, low level of capital, and family owned and operated are neither necessary nor sufficient to be considered part of the definition of informal work.

“Informal workers” or “informals” are individuals employed or self-employed in “informal” activities. Workers are not considered statically formal or informal, they can transcend categories as they switch occupations during the same day. In many cases, workers are engaged in multiple sectors at the same time, for example by importing cars or working for Kenya Airways and employing a worker to run their used clothing business (Daily Nation 2007c:4, 2009; research interview).

This dissertation sees informal and formal work as separated by a registration barrier that requires formal enterprises to follow strict tax and labor guidelines while demanding compliance with less strict measures for informal workers. The most formal



export-oriented enterprises have the strictest regulatory environment forcing them not only to comply with domestic laws but also international regulations. Smaller formal enterprises must comply with strict domestic labor and tax laws while the strongest informal enterprises must comply with a less strict but still present regulatory environment of health guidelines and licensing requirements. Extremely informal enterprises such as hawking have the least regulatory oversight and are often considered illegal forms of employment since workers in these forms often cannot or do not purchase licenses. The labor market of formal and informal work is not regarded as a trajectory since there is little empirical evidence that informal workers “naturally progress” into formal employment (Haan 2001; King 1996).

Because of the broad understanding of “informal work” employed in this dissertation, I advocate for the separation of work into sub-sectors whenever possible. Akoten (2007) lists five sub-sectors of informal work including manufacturing, services, restaurants/hotels/bars, construction, and trade, to which I add transportation, subcontracting, home-based work, and casual labor. Different sub-sectors have different characteristics and needs that need to be understood within their specific contexts and often members of one sector see themselves as having separate interests from members in another sector.

### **1.3 Contributions**

The global labor force continues to undergo complex processes of informalization and urbanization especially, in African economies. So far, however, studies of these processes have been mostly preoccupied with monitoring the size, growth, working conditions, economic returns, and types of informal work. This work complements and expands the existing literature by exploring power relations that influence global under-

standings of informality and how informal workers negotiate these influences in their daily lives. Thus, this research offers an exciting new multi-level perspective on informal work.

Historically, analyses of power in informal work have stemmed from the dependency school, but these have centered around critiques of exploitative capitalist modes of production and hegemonic power (see Swainson 1978; Leys 1994; Kitching 1980a; Birkbeck 1978; Gerry 1978; Gerry and Birkbeck 1981). In this view, informals are marginalized by virtue of being separated from their own means of production, but this marginality is irreversible due to the very structure of the capitalist machinery (Ramos et al. 1977; Moser 1978; Tokman 1978a, 1978b). This work appreciates this attention to exploitation and marginality, but departs from Marxist interpretations of power. Instead Foucault's notion of a web of power relations is employed to highlight how even the marginalized exert power in their daily lives. This focus on informal contestations and negotiations of power pushes the envelope of the sociological study of informal work.

The majority of research on informal work in Kenya has had a narrow scope, focusing on definitions of informal work, the livelihoods of informals, or the macro-regulatory climate. King (1996) and Robertson (1997b) have synthesized these broad topics relating to informality in Kenya into one body of work, but King's work focuses exclusively on small-scale manufacturers and Robertson delves into the colonial history of women's trade. While these books are excellent resources, neither has provided the full history of retail/trade in Kenya from the 1900s to the present alongside the larger context of the development of global understandings of informality. Thus, this research seeks to build on King (1996) and Robertson's (1997b) oeuvres to provide a much more expansive understanding of informal work.

In part, this research is unique because it chooses to study retailers as its primary unit of analysis. Despite the fact that retailers compose the largest sub-sector of informal labor in Nairobi, few studies have focused solely them (Riley and Steel 2000; Brown and Lyons 2010). Rather, much of the empirical and policy literature on informal work has examined small-scale manufacturing (see Ikiara 1990; Republic of Kenya 1992; Macharia 1993, 1994; Portes 1994; King 1996; McCormick et al. 1997, McCormick 1998; Riley and Steel 2000; Moyi 2003; Blattman et al. 2004; Bigsten et al. 2004, 2006; Akoten et al. 2006, 2007, 2007). Other research has primarily concentrated on hawkers and street traders instead of market traders (see Mitullah 1991, 2003a, 2004; Bromley 1978b, 2000; Cross 2000, 2007; Popke and Ballard 2004; Brown and Lyons 2010). There is also a large base of literature on slums and the employment opportunities within but many marketplaces and retailers are not located in slums (Alder 1995; Ferrara 2002; Mitullah 2003b; Government of Kenya 2004; Mugisha 2005; Gulyani 2006). Surprisingly few authors have rooted their work in the urban marketplace (see Lyons and Snoxell 2005; Muraya 2006). This study identifies this gap and seeks to fill it by providing an in-depth analysis of retailers in Kenya from the colonial era to the present.

To the best of my knowledge, this study is also one of the first broad analyses of both historical and contemporary informal worker social mobilization in Kenya. Previous studies have investigated the self-help associations that help to organize and provide resources for informals (see Godfrey and Mutiso 1974; Ferrara 2002; Chen 1996; Udvary 1998; Mitlin 2001). McCormick et al. (2003) discussed the current status of small and large associations in Kenya and Brown and Lyons (2010) explored characteristics of traders' organizations in several other African countries. Yet, few have analyzed the evidence for a broad-scale informal workers' social movement in Kenya.

Finally, the question of defining informal work has been a thorn in the side of researchers since the 1970s. This work heeds Mead and Morrisson's warning that "it is incumbent on analysts to specify what they mean by [the informal sector] in their own country" (1996:1617). A new legal definition for informal work in Kenya has been provided that moves beyond Portes et al. (1989) and de Soto's (1989) legalist perspectives.

Previous studies have been preoccupied with defining the characteristics of enterprises in the informal sector (ILO 1972; Mead and Morrisson 1996; House 1984; Moser 1978; Livingstone 1991; Daniels 1999; ILO 2007). On one hand, structuralists had a dualistic understanding of labor markets and thus defined the informal sector according to what characteristics it lacked in relation to the formal (ILO 1972). Early studies viewed informal work as a holding ground for rural migrants until they could find suitable jobs in other sectors (Sethuraman 1981:63; Mazumdar 1976:55). But, far from being marginal workers, this perspective emphasized informal enterprises as a potential source of economic development (Hart 1973; ILO 1972). The original definition of the "informal sector" that appeared in the 1972 Kenya Report has remained one of the most influential and well-recognized explanation of informality despite being clarified and redefined several times by the ILO (1985, 2002, 2007).

While dependency theorists also held a structuralist and modernist perspective of a "second economy" that would eventually fade out as capitalist growth occurred, they viewed informal enterprises as trapped in a state of perpetual marginalization (Tokman 1978a). According to this view informal work was a mode of production inherent to the functioning of a capitalist system that sought increasingly lower wages and higher profit (Moser 1980; Bromley 1978a; Gerry 1978).

On the other hand, legalists saw the informal sector as created by the state through regulatory mechanisms. Portes et al. (1989:12, 31) extended a legal definition that has

become well-known in sociological literature. They write, “the informal economy is ... a process of income-generation characterized by one central feature: it is unregulated by the institutions of society, in a legal and social environment in which similar activities are regulated ... [and] is comprised of economic activity that uses illegal means to produce legal products.” Thus, Portes et al. (1989) view informal work as both *illegal* and *unregulated*.

De Soto (1989) also employs a legalist definition but argues that informal enterprises are *over-regulated* and that if the government would reduce its meddling in economic affairs “a burst of competitive energy would be released, living standards would start rising, international trade would increase, developing countries could service their huge and debilitating external debts more easily” (de Soto 1989:15). This definition has achieved remarkable attention because it, like neo-liberal theory, views the government as a barrier to economic growth.

This work employs a legal definition but claims that both Portes et al. (1989) and de Soto (1989) are misguided in their assertions. Contrary to Portes et al.’s notion that informals are illegal and unregulated, this research finds that while informals in Kenya are *unregistered*, they are not necessarily unregulated or illegal. In fact, there is significant heterogeneity among unregistered workers, some of whom have licenses and are both regulated and legal, some that work in periphery marketplaces and are unregistered, regulated, and illegal, and some hawkers on the streets that are unregistered, unregulated, and illegal.

Moreover, contrary to de Soto’s prediction of the power of deregulation, this work finds a correlation between unregulated enterprises and unproductivity. That is, the most unregulated segment of informal work — hawkers — are the least economically productive and stable. It is questionable then that with reduced regulations informals

will transform into engines of national development. Instead, I argue that increased political representation will improve the policy climate in ways that truly benefit informal workers. This study expands previous legal definitions by proposing that *registration* is the defining break between formal and informal while the *degree of regulation* is a continuum. This conceptualization of informal work offers an exciting new direction forward.

## **1.4 Overview of the Dissertation**

This dissertation develops a multifaceted analysis of power and identity construction in the field of informal work. Chapter 1 lays out the direction of the thesis by providing the three research questions and hypotheses that have guided this work. The methods used to explore each hypothesis are then discussed. The first chapter also provides a detailed explanation of the history of terms surrounding informality and why this study has chosen to employ the term “informal work.” The chapter concludes with a discussion of the unique contributions of this work to the field of sociology and the study of informal work.

Chapter 2 roots this study in contemporary sociological theory, particularly the theories of Foucault and Gramsci. A discussion of Foucault’s methodology frames the introduction of the methodological choices of this work. This chapter also explains the rationale for conducting field research in Kenya before providing a justification for the importance of studying informal work more generally.

Chapter 3 addresses the first hypothesis by exploring how informal work has been modeled and theorized by key international actors including members of the Chicago School of Economics, World Bank, IMF, U.K. and U.S. It reviews influential labor mar-

ket theories that came to form global understandings of labor market characteristics and roots them in one of two orthodox macroeconomic schools of thought.

Chapter 4 explores how these international discourses of development came to influence Kenyan policy and the understanding of informal work in Kenya. This chapter provides evidence to answer hypothesis one concerning the power relations that influence the construction of informal work. It covers the history of external influence on African labor forms from the colonial period through the Moi era (1978–2002).

Chapter 5 addresses hypothesis two through an analysis of the mechanisms of normalization, consent, and coercion. It also reveals the use of subtle tactics to further elite power in the political, economic, and social realm. This analysis documents the alternating use of state force and concession-making to perpetuate increasingly autocratic rule.

Chapter 6 highlights how informal workers are not passive recipients of power relations. This work found evidence to support hypothesis three, revealing that informal workers negotiate macro-techniques of power, contest marginalization, and exert power in their everyday relations. A visible informal workers' movement in Kenya is not apparent but the women's movement in Kenya was analyzed to provide potentially relevant pre-cursors of informal mobilization that could hint at a future movement.

The concluding chapter, Chapter 7, synthesizes evidence presented in the dissertation to evaluate the hypotheses established in Chapter 1. The study concludes by offering suggestions for future research.

## CHAPTER 2

### THEORETICAL AND METHODOLOGICAL CHOICES

This work is indebted to the scholarship of Antonio Gramsci and Michel Foucault. Michel Foucault had a comfortable upbringing in an upper-middle-class home in France, completed undergraduate and graduate degrees, and taught in academic positions for the rest of his life. Foucault's pairing of political activism and political theory is reflected in his most well-known works, written in the 1960s and 1970s during the height of interest in structuralism and rejection of existentialism in France. In contrast to Foucault's privileged life history, Antonio Gramsci grew up in a poor Sicilian family and immigrated to Italy for his university education, which he never completed. Nonetheless, Gramsci became a prolific journalistic writer for Socialist publications (Gramsci 1994:xv). In the 1920s he was arrested and, while imprisoned for the following 10 years, compiled over 30 notebooks of political thought and commentary. This broad and unstructured body of work remains Gramsci's most well-known contribution to political theory. However, the breadth of topics, use of disguised language to protect his work from Fascist guards, and fragmentary and scattered political theory have challenged translators and scholars alike in understanding Gramsci's ideas accurately (Gramsci 1975:x). The following section will describe Gramsci's and Foucault's theories of power, point out areas of congruence between the theorists, and situate this dissertation within their discussions of power.

#### **2.1 Informal Work and Sociological Theories of Power**

Some suggest Foucault's post-structuralism is incompatible with Gramsci's neo-Marxism; however, this work acknowledges these difference while finding constructive parallels that allows one theory to speak where the voice of other is less audible.



### **2.1.1 *Foucault's Political Theory***

Central to Foucault's political theory is his understanding of power, which he is careful to place in relation to power as conceptualized by Marx, Hegel, and Hobbes. Foucault specifies that he is not interested in power as a commodity to be traded but in respect to domination/repression (Foucault 1977:92). Yet, while he writes about power in this respect, he struggles with the sense that power as repression does not wholly encompass his understanding of the reach of power. Thus, to power, he has added the bi-directional relations of knowledge/truth and right/law (Foucault 1977:93).

Foucault uses the triangular relations of power, truth, and right to analyze the implementation of power in society. He is interested in the relation of power to the creation of truth discourse, which expresses and judges power, and the juridical system or structures that both implement and restrict power. Foucault is also interested in the juridical system or structures that both implement and restrict power. The discourse of truth is used to construct the juridical, which in turn judges the discourse of truth. Power also produces the juridical system, which both implement and restricts power.

### **2.1.2 *Gramsci's Political Theory***

While Foucault focuses on multi-directional power relations, Gramsci's work is explicitly State-focused, viewing it as repressive, totalitarian, and capable of holding or seizing power. The State is composed of political society and civil society, the latter in the Hegelian sense of "the political and cultural hegemony of a social group over the whole of society; as the ethical content of the state" (Gramsci 1975:20). The notions of political and civil society presuppose the existence of mechanisms of hegemony. Gramsci (1971:264) writes, "The basis for the State... is the hegemonic apparatus of one social

group over the rest of the population (or civil society).”While this work expands its understanding of power beyond State hegemony, it does find Gramsci’s discussion of mechanisms of power applicable.

### **2.1.3 *Mechanisms of Power***

Gramsci defines the hegemonic apparatus as consisting of mechanisms of consent and coercion, wielded by the Party to build solidarity under single leadership. Generating incentives such as freedom, political power, or material goods for the masses to participate in the system is the preferred means of hegemonic power. The term “spontaneous consent” is used by Gramsci to indicate consent manufactured through strong intellectual and moral leadership that makes the interests of the dominant group seem common sense, universal, and irrefutable (Gramsci 1971:57, 12). However, if practices of manufacturing consent break down, the dominant group may resort to legal (or extra-legal in many cases) coercive strategies that may include physical force, segregation, discrimination, shaming, and dismissing oppositional thoughts as irrational (Gramsci 1971:57, 210–11). Gramsci (1971:263) argues that “dominant groups have coercive power, but they do not need to exercise it regularly over subordinate groups because the subordinate readily acquiesce to their dominance as being the natural order of things. In a hegemonic situation, the dominant forces are prepared to make concessions when necessary to maintain the acquiescence of the subordinate.” However, should consensus building fail, coercive power can be employed.

This dissertation uses Gramsci’s understanding of consent and coercion to deconstruct the various ways the Kenyan government and multilateral organizations maintained their powerful role influencing the organization of society. Chapter 4 explores

the tactics multilaterals employed to encourage the Kenyan State to adopt their policy recommendations. Chapter 5 focuses specifically on the mechanisms of manufacturing consent by the Kenyan government (colonial and post-colonial) through giving concessions, privileging loyal members of society, providing political representation, opening credit and training facilities, co-opting associational leadership, and redefining terms of identity. When these tactics failed, coercive measures such as forced evictions, concentration camps, imprisonment, beatings, murder, razing of marketplaces, and confiscation of property were instituted.

While Gramsci sees mechanisms of power as employed by the hegemonic/counter-hegemonic power to gain and maintain control, Foucault uses these mechanisms to explain how knowledge influences power. Mechanisms of power arise in Foucault's discussion of "normalization," which he describes as the process where dominant groups use scientific discourse arising out of the "human sciences" to define and control deviant behavior and marginal groups (Foucault 1977:96, 104). The rise of disciplinary institutions, including universities and prisons, that developed mechanisms to control and segregate populations and subjugate the individual physical body were a key change brought about in the late 1800s (Foucault 1990:140). A new form of power, which he calls "bio-power," arose during this shift that "brought life and its mechanisms into the realm of explicit calculations and made knowledge-power an agent of transformation of human life" (Foucault 1990:143).<sup>1</sup>

For Foucault, the dominant group began to seek ways to control and circumscribe the individual, and part of this process was to make the individual into an object of scientific study. In *Discipline and Punish*, Foucault (1995:24) sets out to analyze the

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<sup>1</sup>Foucault develops his understanding of bio-power in response to the medieval mechanistic understanding of body as machine. The body must be regulated through disciplines so the judicial system is set up to govern it. Foucault expands this notion to the social body where institutions must be regulated through laws and eventually social norms (Foucault 1990:145).

penal system, such that through the analysis of “penal leniency as a technique of power one might understand . . . in what way a specific mode of subjection was able to give birth to man as an object of knowledge for a discourse with a ‘scientific’ status.” Academic disciplines arose around quantifying and measuring populations and the human body, producing knowledge that could be used to control human life much in the same way academic disciplines arose around quantifying and measuring production and productive element of labor in developing countries. The academic discourses arising from the field of development economics and economics more generally have shaped structures and policies that have influenced the development of the concept of informal work.

Foucault traces the transformation of the usage of power to maintain monarchical control and sovereignty through visible displays of physical punishment to measures of control, often bodily control without corporeal punishment, within private institutions (Foucault 1999:52, 1990:90). This study finds remarkable parallels between Foucault’s study of the rise of regulatory institutions, particularly the prison form in the penal system, and the institutions used to control and define informals in the post-colonial period. Foucault writes that the “modern” prison “form” developed in the 1900s allowed for the development of procedures,

for distributing individuals, fixing them in space, classifying them, extracting from them the maximum in time and forces, training their bodies, coding their continuous behavior, maintaining them in perfect visibility, forming around them an apparatus of observation, registration and recording, constituting on them a body of knowledge that is accumulated and centralized. The general form of an apparatus intended to render individuals docile and useful, by means of precise work upon their bodies. . .” (1995:231).

Foucault’s concept of normalization as presented here in relation to the “modern” prison form helps us understand the construction of institutions relating to informals. The institution of the formal marketplace in Kenya has played much the same role in

distributing individuals to a defined fixed space that served to classify the individuals according to this space — “informal traders” in the formal marketplace and small manufacturers in sheds provided by the government. The attempt of the Kenyan government to fix informals contradicted the nature of trade and hawking, the very essence of profitability and adaptability that this activity depended upon, in many cases robbing traders of their clientele. On the other hand, small manufacturers already worked in fixed premises, and the sheds were beneficial in providing shade but changed little else. Thus, this installation worked with the central characteristics of small manufacturers privileging their mode of operation, which was already considered the productive segment of informal activity by the time of the shed’s construction in the 1980s, while trying to transform the productivity and morality of traders.

Marketplaces and sheds in Nairobi are constructed such that the activities of all workers inside could be seen. Marketplaces are walled off to the outside with limited entrances, there are no individual stalls or walls demarcating space, and the roofs of the buildings are at least 20 feet above the concrete base, thereby, “maintaining [workers] in perfect visibility” and making them easier to control. In the marketplace, workers are monitored by city council policemen who collect taxes and issue a receipt, thus creating a record of marketplace activity. Foucault writes that the essential function of modern imprisonment is “the transformation of the individual’s behavior,” which mirrors closely the function of the markets to transform petty hawkers to productive workers — both as members of society through the reduction of crime and illegal activities and materially through the accumulation of capital.

Foucault also remarks that the prison produces a tolerated form of illegality in that it “helps to establish an open illegality, irreducible at a certain level and secretly useful, at once refractory and docile; it isolates, outlines, brings out a form of illegality that

... makes it possible to leave in the shade those that one wishes to — or must — tolerate ... now this concentrated, supervised and disarmed illegality is directly useful ... [as] an agent of the illegality of the dominant groups ... extracting from it an illicit profit” (1995:280). In parallel, the “formal” marketplaces built by the Kenyan government and municipal council shade “illegal” workers — illegal in the sense that workers are not required to pay VAT or social security. But this is a tolerated illegality in comparison to beer brewing, drug smuggling, or gun-running that occur in the informal, unregulated marketplaces and back alleyways of the central business district. And moreover, illicit profits can be extracted from these “illegals” in the form of bribes and confiscated goods by the City Council police.

Yet, the parallels between the prison form and the modern marketplace in Kenya stop here as Foucault claims the former as “a complete and austere institution” that must be “an exhaustive disciplinary apparatus” (1995:235). Marketplaces do not encompass the totality of life and social relations in Kenya and relations can be constituted within, outside, and across the boundaries of the market limiting the bio-power of the institution. Despite this difference, the theoretical insights found in Foucault’s analysis of normalization will help us understand how international organizations and the Kenyan government effectively normalized a significant segment of Kenyan society.

Foucault’s discussion of the mechanisms of normalization and bio-power are central to this thesis. Yet, it is important to clarify that this dissertation does not view these as mechanisms of intent to subjugate individuals. Actors employing development theories are not intentionally trying to create an alternative and subaltern identity for informal workers but processes of rationalization, modernization, and normalization have served to support the construction of certain categories of labor that ultimately influence how this subset of the labor market is understood to fit into the development of the State.

### **2.1.4 Methodology**

Both Foucault and Gramsci root their work in a historical perspective that looks at the antecedents to the current ruling group. Foucault used case studies of the mechanisms by which discourses and institutions were formed and understood as valid and true, in order to reveal how knowledge and power are intrinsically but subtly linked (see Foucault 1961, 1990, 1995). For example, in *The History of Sexuality*, Foucault's theories of normalization and bio-power emerges as he traces the change in power over life from mechanisms of corporeal punishment and physical disciplining to those of regulatory control in the seventeenth century (1990:139). His political theory is never explicit but always explained through the history of the institution. Likewise in *Discipline and Punish*, Foucault uses an exploration of the history of the penal system to illustrate his political theory, concluding this work stating that it "must serve as a historical background to various studies of the power of normalization and the formation of knowledge in modern society" (1995:308). These case studies are an appealing way to present the rich historical data that helps the reader see the processes of normalization and bio-power unfold before them.

Foucault sets out five important qualifications and clarifications with respect to his treatment of power in a lecture translated in *Power/Knowledge*. Other features, which we will note below, are developed elsewhere.

#### **Effects of Power**

First, his critical analysis of power does not seek to address the origin and legitimacy of institutions, including governments to exert power over their subjects but instead focuses on the effects of power. He is not, therefore, interested in exploring the right of

the sovereign to issue new laws or set up juridical structures, but examines the outcomes of the judicial apparatus at the lowest level, the most marginal and extreme cases. In this way, he seeks to understand where power is employed in the name of the juridical to people classified in particular ways. In Foucault's own analyses, he examined the extreme cases of the delinquent or the madman to see the effects of power on the margins.

This dissertation employs Foucault's focus of the effects of power on the margins, taking the example of Kenyan informal workers as an economically marginalized group. The *right* of the State and multilateral to design laws and policy that affect informals is not the focus of this study. Instead, this work looks at how governmental and multilateral institutions, through regulation, discourse making, and implementation, influence informal workers. In particular, this dissertation will examine the role of the World Bank, International Monetary Fund (IMF), International Labour Organization (ILO), in exerting power through conceptual and linguistic structures developed or influenced by their subsidiaries, consultants, and government affiliations. In Chapter 3, particular attention is paid to economic discourses, such as modernization theory and neo-liberalism that deeply influenced understandings of and policies concerning international development and associated issues such as informal work. In turn, we will look at how conditionalities accompanying multilateral policy prescriptions have served a juridical role to reinforce truth discourses and bolster the authority of power.

## **Intent**

Second, Foucault encourages analyses of power that focus on the actual results of the implementation of power rather than on conscious intent of the government or institutions that enacted the juridical structures and discourse development. Since Foucault's



genealogical method addresses contingencies that prior studies have taken as necessities, he does not see the results as following necessarily from any given institutional intent. Rather, they result in a contingent fashion. Analyses of power should ask “how it is that subjects are gradually, progressively, really and materially constituted through a multiplicity of organisms, forces, energies, materials, desires, thoughts etc.” (Foucault 1977:97).

This work then is predominantly concerned with the practice of development paradigms to understand how informality was constructed through numerous institutions, policies, and juridical forces. It is less concerned with the presumed “good” intentions of multilaterals and States and more so with the outcomes of their broad policy prescriptions and macro-economic theories on the micro-level of informal workers. At the same time, this study suggests that intent, though not necessarily connected to the effects, had a role, if only in the maintenance of economic self-preservation or institutional integrity, and will present evidence in Chapter 4 in terms of a congruence of outcome from diverse policies.

### **Power as Particular**

Third, Foucault rejects Marxism’s emphasis on class domination, instead viewing power as existing in a multiplicity of social relations. This multiplicity certainly includes relations of hegemony and hierarchical power but is not limited to this form. Foucault understands individuals in terms of their ability to exercise power — this ability makes a person a human being. He uses two metaphors of power relations in society. One is that of a web: individuals are bound together in diverse power relations. Thus, even marginalized individuals exert some power over some slice of society such that to be an individual means that one engages in dynamic relations of power in everyday actions.

The other metaphor is that of a chain. His point is that there is no single relation between the dominant and the subject, but the subject is linked to others in similar relationships of power or dominance. By structuring his methodology this way, he avoids the simplistic focus on individual exercises of dominance, and emphasizes the linked multi-various relations and effects of dominance in society.

In the realm of informal work, Foucault's methodology gives power to informals that they may exercise over others through everyday social interaction. Thus, sovereign-subject relations are rejected as totalizing in that while the State may exert a powerful influence over the informal worker, and the informal worker has little control over the State, the informal worker is not powerless and can exert power in other social relations. Chapter 5 anticipates this methodological concern and in its discussion of how the Kenyan State recognized the power of other segments of society and took actions to both cultivate its support and through co-optation and mitigate its potential for collective mobilization by redefining allegiances based on ethnicity, occupational status, or gender. Chapter 6 supports Foucault's claim that individuals are "always in the position of simultaneously undergoing and exercising this power" (Foucault 1977:98), by tracing the web of power relations where traders are able to exert power over hawkers by forming associations to advocate for their interests. These associations complained to the Nairobi City Council (NCC) about the nuisance of hawkers and petitioned for changes to the law.

Foucault's political theory has important consequences for our understanding of resistance. Resistance is thus conceptualized in the everyday relations rather than the critical moments of revolution as understood by Gramsci who postulated a positive and revolutionary role for the construction of discourse and intellectuals. Hegemonic mechanisms can be used not only by the dominant group to obtain and maintain power but

also by counter-hegemonic movements to challenge the dominant group. In fact, Gramsci goes as far as to suggest that, to be successful, the subverted group must use these discursive techniques to reclaim their own knowledges or myths and create new ones that will bind the opposition together. In this dissertation, resistance is not evidenced by the nascent stages of a grand overthrow of the powerful regime, but by the local and particular resistances of workers and their organization for rights.

### **Micro-Techniques of Power**

Fourth, Hobbes' methodology of analyzing state sovereignty from the center to the base is turned on its head. Foucault (1977:99) calls for "an *ascending* analysis of power" that starts from the local exercise of power to the global. Only once micro-techniques of power are understood in their local context, can the effects of the macro-techniques can be analyzed. This study uses this component of Foucault's methodology when it considers the effects of dominance on those at the margins. For example, the discussion of the acceptance of social relations of power intrinsic to market-based trade that were first maligned as traditional and unproductive and later employed by the World Bank to explain the dynamism and value of the "microentrepreneur," initiates the analyses in local relations of power. Foucault touches on this phenomenon writing that when mechanisms began "to reveal their political usefulness and to lend themselves to economic profit ... all of a sudden, they came to be colonised and maintained by global mechanisms and the entire State system" (1977:101). As multiple sources revealed the potential of the concept of "microentrepreneur," multinationals and States alike did not hesitate to redefine and employ this term along politically useful lines. Chapters 4 and 5 will expand this brief introduction to this ascending analysis of power, while Chapter 6 attends to an analysis of the relations of power (including fragmentation and dominance)

in the women's movement (potentially foreshadowing an informal workers' movement) that were then exploited by the State, the effect of which was to co-opt and break apart the movement for the time being.

However, this work also proposes that macro-mechanisms of power are so influential on the micro-sociology, that their use by the global must be understood simultaneous with *and* in relation to the particular. This latter understanding of analytical direction is employed when discussing the effects of global associational forms on local relations of power. The new organizational forms promoted by multilaterals have heavily influenced the local form of association (adding unitary leadership and a sort of advisory board) and the power members hold over each other and the surrounding community. This external input has changed the relations of power between associational members and transformed associational forms into mirrors of State apparatuses that do little to question the applicability of external categories of knowledge. Chapter 6 will continue this discussion of associational forms and the influence of mechanisms of power.

### **Rejection of Grand Theory**

Fifth, Foucault rejects the notion that global knowledges are ideological. That is to say, he understands macro mechanisms of power to arrive at knowledges inductively (i.e. by working things out or "muddling along") and not by some guiding a priori grand theory specifying an ideological intent. This understanding of power and knowledge applied to the example of discourse on informal works leaves us with the question of whether multilateral or dominant State discourse invokes an ideological bent. If such a bent is absent, why is it that so many of the policies that come out of various arms of these multilaterals and applied in a variety of countries, have similar recommendations? If this macro-knowledge building were simply empirical instead of rational, why are programs

that are by most accounts failures, resurrected in other countries? These questions will be discussed further in Chapter 4 in light of the empirical analysis by the World Bank Voucher Program in Peru, supported by Hernando de Soto and the Institute for Liberty and Democracy (ILD), and later implemented in Kenya.

Thus, although indebted to Foucault's general methodology and political theory, this work diverges from Foucault's understanding of the interrelation of power and knowledge in that "guiding motifs" in the form of grand development theories are seen as the markers for multilateral and State policy during that era. Although this work does not go so far as to say these motifs are ideological, in particular because it is not assumed that policies are developed explicitly to be in line with the theories, there is remarkable confluence between these motifs and dominant policy prescriptions of the period. This dissertation hypothesizes that this phenomenon in part stems from similarities in educational field and systems of the dominant players in such institutions. Although dissenting and oppositional theories and perspectives exist in these institutions, they do not constitute the dominant paradigm. As such, they are less likely to pass through the bureaucracy unscathed, hence the end result of similar policy prescriptions issued in a variety of contexts. We can see this most clearly in the high profile exit of Joseph Stiglitz and Ravi Kanbur from the World Bank but also in the rejection of Singer's Redistribution with Growth model as discussed further in Chapter 3.

In summary, this dissertation is rooted in the political theory of Michel Foucault, but bolsters his discussion of mechanisms of power with Antonio Gramsci's discussion of consensual and coercive tactics. Using Foucault's case studies as a model, this work explores the relations of power from the micro-level interactions within informal marketplaces to the relations of power present in constructing discourses of development that have become normative through the juridical system of guidelines and programs

agreed upon bi-laterally and multilaterally. However, this work diverges slightly from some of Foucault's methodological considerations as related to the interaction of power, truth, and right to construct a history of global and particular informal identity. The following section will expand upon the methodological choices of this dissertation.

## **2.2 Methodology**

### **2.2.1 *Location***

This study focuses on Kenya, a country with a long history of local trade, marketplace development, and policy debates about how to define informal work and treat informal workers. Kenya shares some similarities with other African nations, making cross-country comparison possible. Like many other countries in Africa, the population in Kenya has been predominantly rural for much of its history but urban densities have so rapidly increased recently that they are close to outnumbering rural populations (Davis 2006). Kenya has a long history of local trade between ethnic groups and before urban centers developed, trading caravans played an important social and economic role in mediating relations between different ethnic groups (Leakey 1977 in Bryceson and Potts 2005; Robertson 1996; Bujra 1975).

Like other African nations, Kenya's historical trajectory has led to the development of a primary city that absorbs most of the rural-urban migration and informal labor. Currently, it is estimated that between 70 and 80 percent of Kenya's non-agricultural labor force is employed informally, which is similar to estimates in other African countries (Republic of Kenya 2005b; Akinboade 2005).<sup>2</sup> In nearly all African countries, infor-

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<sup>2</sup>Official counts of informal work have large margins of error due to the geographic and occupational

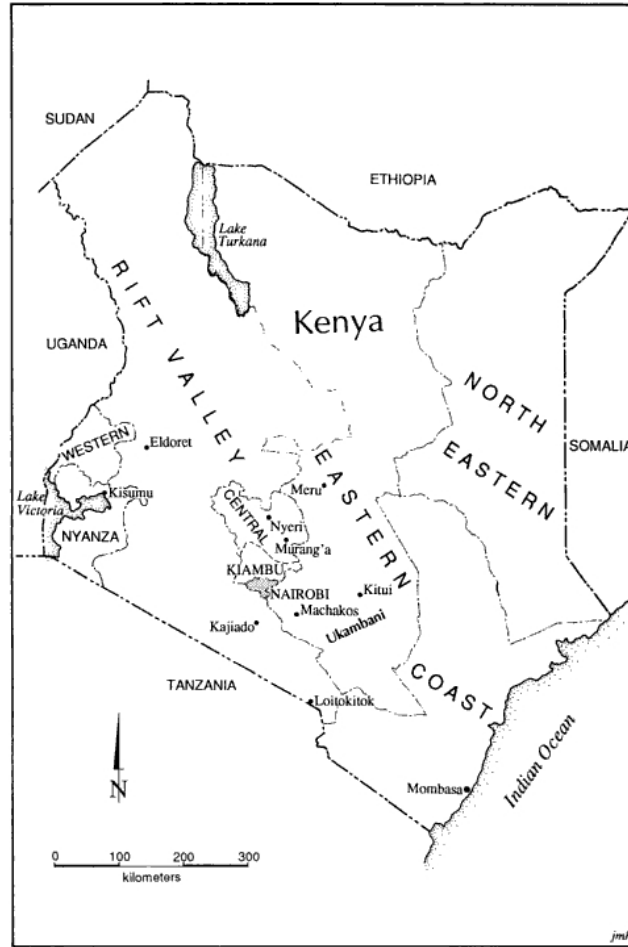


Figure 2.1: Map of Kenya  
*Source: Robertson (1997b:xii)*

mal workers cluster in densely populated areas that attract customers, such as streets in the Central Business District (CBD), parking lots, tourist attractions, informal marketplaces, and bus stops, where confrontations with municipal authorities are likely to occur (Setsabi and Leduka 2008:222; Mitullah 2003a, 2004; Popke and Ballard 2004).

Similar to many other African countries, business ownership and land tenure in Kenya is highly gendered and proving business ownership, especially for women, to mobility of workers and changing definitions of informality (measurement error can come through differences that manifest either in self-identification or official measures) between countries.

secure one of the scarce licenses issued by the government is extremely difficult (Robertson 1997b; Bujra 1975; Kovacevic 2005). Likewise leadership opportunities for women have historically been limited by a number of cultural traditions restricting voice and ownership, which is similar to the predominantly patrilineal societies in East and Southern Africa and elsewhere (Akinboade 2005; Tripp 1996, 1997; Bass 2000; Mitullah 2004). However, women compose the majority of informal workers, particularly in the service and retail sectors, in many African countries (Setsabi and Leduka 2008; ILO 1972:62–63; Sethuraman 1981; Mitullah 2004).

The history of colonial control policies in Kenya such as pass laws and hut taxes creates a comparable historical narrative with other British colonies (and to a lesser degree other European colonies) on the structure and gendering of trade. In particular, the British colonial government instituted municipal by-laws to curtail petty-trading and small enterprise activity that they viewed as competition for British-owned enterprises. Many of these outdated ordinances are still in effect giving complete control to the municipality to control space and place in the city (Tripp 1997; Gichira 1991; Bromley 2000; UN-HABITAT 2006).

Like most other African nations, Kenya experienced market-oriented policy interventions under the SAPs in the 1990s. During this time informal workers experienced high levels of harassment from local officials and reduced social services similar to other countries in Africa. The lack of social services created a niche position for informal work that led to its growth and the development of a patron-client relationship between state and informal workers that is especially apparent during election periods.

However, Kenya is also unique in several ways. Despite similarities in the existence of a primary city, the particularities of urbanization of Nairobi, the main city studied in this analysis, may be quite different from other African countries. One such area



is the construction of the railway that introduced a new group of entrepreneurs to the region, namely the Indian railway construction workers who soon became key players in trade and enterprises. The railway also facilitated regional trade with Uganda, created an export/import hub at Mombasa, and centralized local trade by creating a physical site for transactions, namely the urban marketplace. In addition, even though Kenya experienced subordination to British colonial powers similar to other African nations, specific contingencies, such as the LFA/Mau Mau Movement, a Kikuyu first president, the loss of the Kikuyu highlands under colonial rule, and the high percentage of Kikuyu who fought in World War I, influenced the demographic make-up of traders by setting the stage for the predominance of one ethnic group, thereby creating a unique narrative for informal employment in Kenya.

Nairobi is also unique in that it is an area with vibrant and diversified informal employment, which allows for the comparison of different marketplaces through a combination of interviews, surveys, and oral histories. Not all African primary cities have such an expansive and long-standing system of marketplaces. However, despite its long history of informal work, Nairobi does not seem to have strong formal-informal linkages in the way of subcontracting as other countries in Africa (or especially in Asia), particularly those that produce a significant amount of garments for export, may have. Finally, Nairobi has become a locus of empirical and theoretical studies of informal work, seeing the most prolific scholarship on the topic of any country in Africa (ILO 1991; Feldman and Ferretti 1998; King 1996).

Nairobi quickly became a laboratory for studying informal work when the first World Employment Program (WEP) Mission headed for Kenya after the 1971 conference where the term “informal sector” was coined (McNeill 2004). The intense focus on theorizing and studying the informal sector led the Government of Kenya to enact

some of the first policies on informal work of any country in Africa. This bold step by the government opened the door for other non-governmental and development agencies to establish the first programs targeting informal workers in Africa (King 1996).

The long history of empirical and theoretical analysis paired with the intervention of the Kenyan State to create or transform the identity of informal workers has provided a narrative of the forces that shaped definitions and policies on informal work. Studying informal work in such an environment offers the unique opportunity to review studies from the past half-century that may lead to a better understanding of the production and reproduction of informal work in Africa.

### **2.2.2 *Unit of Analysis***

While the majority of the thesis discusses power relations exerting influence on informal work in general, the field research conducted for this dissertation focuses exclusively on the urban retail subsector of informal work in order to develop an in-depth understanding of the local impact of power and the potential for contestation. Retailers, as the unit of analysis, are defined as traders in semi-fixed positions of individual sales, excluding whole-sellers, small-scale manufacturers, service-workers, and hawkers. Surprisingly few studies have focused solely this subsector, despite that they make up the majority of informal workers (between 55 and 65 percent depending on the source) (Riley and Steel 2000; Akoten 2007). This research attempts to fill this lacuna by investigating retailers in Nairobi, Kenya, their relationships with other sectors of the labor market, both formal and informal, and their negotiation of forms of power. Table 2.1 provides a summary of the personal characteristics of retailers interviewed for this study.

Table 2.1: Personal Characteristics of Respondents

Gender	60 percent were male
Age	The mean age was 32 years
Marital	57 percent were married
Children	The average was fewer than two children
Education	45 percent had completed secondary education while another 10 percent had been to college

### 2.2.3 *Sampling*

Snowball sampling was used with life-history and qualitative semi-formal interviews to overcome context limitations including a local history of exploitation and fear of people collecting data or recording their opinions. Recording of these interviews was conducted when oral permission was granted. Initial contacts were identified in various ways including through students at a local university, church affiliations, and visiting the marketplaces and speaking with individuals. Some individuals were more open to sharing their life histories and introducing me to their co-workers and friends. Individuals with these attributes were visited repeatedly for a period of three months in 2007 and again in 2008, providing me not only with their own life histories but with multiple contacts within their social or work network. Contacts within the geographic and age constraints of the study were also interviewed and those most open to discussing their livelihood and life histories with me were visited repeatedly during the interview periods in 2007 and 2008.

Systematic sampling was used to complete the micro-level quantitative survey instrument. Interviewers were instructed to interview one retailer and then take 15 steps before interviewing another seller. Individuals were excluded only if their age, geographic location, or sub-sector of informal work (whole-sale, small-scale manufacturing, ambulatory selling, transport) fell outside of the study constraints or if they declined

to give consent to be interviewed. All participants were informed of the research process from the beginning and consented to being part of the process before any interviews were conducted. Less than five percent of respondents refused to be part of the interview process or stopped the interview part of the way through.

Surprisingly few children under the age of 18 were found in the marketplaces on weekdays. Those that were found (and necessarily excluded from the study due to Human Subjects approval restrictions) primarily fell into three groups: children too young to attend primary school, street children/orphans/extremely poor children, and teenagers that were school leavers, primarily working in food service/hawking. From my interviews and participant observation, the majority of young school leavers seemed to be employed as more transient and marginal hawkers or as (unpaid/poorly paid) small manufacturing apprentices then as retailers with fixed stalls and an elevated level of initial capital investment.

Young males are more highly represented than young women in the used clothing hawker sub-sector and the small manufacturing sub-sector while young women are more highly represented in home-based work and produce/prepared food hawking. A significant number of potential interviewees were excluded based on sub-sector (since many informal work opportunities outside of retail exist) and geographic location (since many informal workers are not positioned within a marketplace of at least 200 sellers. However all of the approximately five million informal workers in Nairobi could not be interviewed and exclusion based on certain characteristics was necessary for understanding certain processes within informal work.

## 2.2.4 Site Choice

The local aspect of the study of identity formation is purposefully rooted in the geographically defined space of the marketplace. By *marketplace* I mean a geographic location where people are free to come together to buy and sell goods. In contrast, the word *market* does not indicate a spatial location but is simply an economic term for where goods and services are bought and sold. Marketplaces chosen in this study have permanence by virtue of several decades of existence, where the same set of sellers return to the same spaces weekly, and retailers unofficially own land. All marketplaces discussed are located in Nairobi and have at least 200 vendors and are open on a daily basis, even if there are certain specific “market-days” which have higher traffic.

Table 2.2: Typography of Marketplaces in Nairobi

	Periphery	Suburb	Central
Middle–High Income		City Park* Westlands Highridge Garissa Lodge	Gikomba* Muthurwa Kariokor City Market Nyamakima Ngara
Low–Middle Income	Kawangware* Kangemi Kariobangi Mathare Mutindwa	Toi* Burma	Shauri Moyo Kamukunji Ziwani Wakulima** City Stalls

Note: \* Marketplaces used for study

\*\* Marketplaces used for pilot

Marketplaces are an exciting setting for this study because they contain a variety of interconnected economic activities, including formal and informal businesses, paid-employment, self-employment, small-scale manufacturing, services, transport, subsistence level laborers, upper-tier laborers, individual retailers, and wholesale retailers.

Table 2.3: Labor Characteristics of Respondents

Length of Time in Market	65 percent of respondents had been selling in that marketplace less than 6 years while 35 percent had been selling for more than 6.
Employment	43 percent of respondents had come from other informal jobs, 24 percent had come from school, and 16 percent of respondents had come directly from formal employment. Very few had been unemployed previously.
Satisfaction	55 percent of respondents were satisfied with their work and/or wished to remain in informal work.
Hours of Work	Only 17 percent worked less than 8 hours; 51 percent worked between 11 and 12 hours a day.
Phone	59 percent of respondents had a cell-phone they used for business purposes.

Documenting the interaction between these economic forms of production revealed the power structure underlying social structure. The Kenyan State has sought to maintain control through spatial regulation, often forcing traders and hawkers into government run marketplaces. These exertions of power have been perceived by traders as a threat to their very livelihoods and as a result traders in Kenya have not accepted the forced relocations passively. Taking Lefebvre's (1977:341) statement that, "Space is not a scientific object removed from ideology and politics; it has always been political and strategic" as a starting point, this work uses the spatially bound marketplace to observe contestations over identity and political power.<sup>3</sup>

Twenty-two informal marketplaces, defined as being central sites of informal economic activity, having at least 200 vendors, and being open on a daily basis, were iden-

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<sup>3</sup>At the same time, as much as the spatially embedded informal marketplaces of Nairobi, Kenya are key to boundary making, they are not isolated microcosms of identity formation. Retailers have social networks outside their marketplaces, especially in terms of supply routes and commodity chains. Cell-phones also have certainly changed the ability of retailers to communicate with people outside of their day-to-day interactions, but my field research showed that most business related calls still occur between marketplaces (i.e., finding out the availability of stock from another marketplace) or to provide entry to the marketplace for an outsider (i.e., contacting a farmer to bring more stock). Microfinance also can create trans-local linkages outside the spatial boundaries of the marketplace, but few such services exist for retailers in the marketplaces included in my study.

tified in Nairobi.<sup>4</sup> These markets were separated by location and rough income level of customers. Three main categories were identified (periphery — low to middle income; suburb — middle to high income; and central middle to high income) to provide a representative sample of marketplace types in Nairobi.<sup>5</sup> One site from each category (Kawangware, City Park, and Gikomba) was chosen for in-depth interviews marketplace surveys, and photo-elicitation methods. Two additional sites were chosen as pilots — Wakulima for qualitative interviews and Toi for quantitative surveys. To create comparability between commodities and marketplaces, the retailer, was chosen as the unit of analysis within the market. Characteristics of work within these three marketplaces is displayed in Table 2.3.

### **2.2.5 *Site Details***

#### **Gikomba**

Gikomba is the central distribution and retail marketplace for almost all goods and serves a range of income levels. Under colonial residential segregation policies, the area below River Road was allocated to Indians who set up small retail and wholesale stores. Less formal businesses such as workshops and small-scale manufacturing enterprises that needed more space and acceptance of noise moved even further south. This area, called Quarry Road, was the border of British colonial officers and civil servants and Indian

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<sup>4</sup>During the research period, riots and gang-violence forced the prolonged closing of several additional marketplaces. Thus, the total number of marketplaces observed in this study does not equal the total number of marketplaces within Nairobi city limits. Established marketplaces include Kangemi, Kawangware, Toi, Westlands, City Park, Highridge, Nyamakima, City Market, Wakulima/Marakiti, Muthurwa, Kariokor, Ziwani, Gikomba, Shauri Moyo, Kamukunji, Mathare, Mutindwa, Kariobangi, Burma Market, Ngara, City Stalls, and Garissa Lodge.

<sup>5</sup>In the “central — middle to low income” category, three of the five markets listed (Shauri Moyo, Kamukunji, and Ziwani) are predominantly small manufacturing sites and since these fall outside the purview of this study, this category was only used as a pilot site.

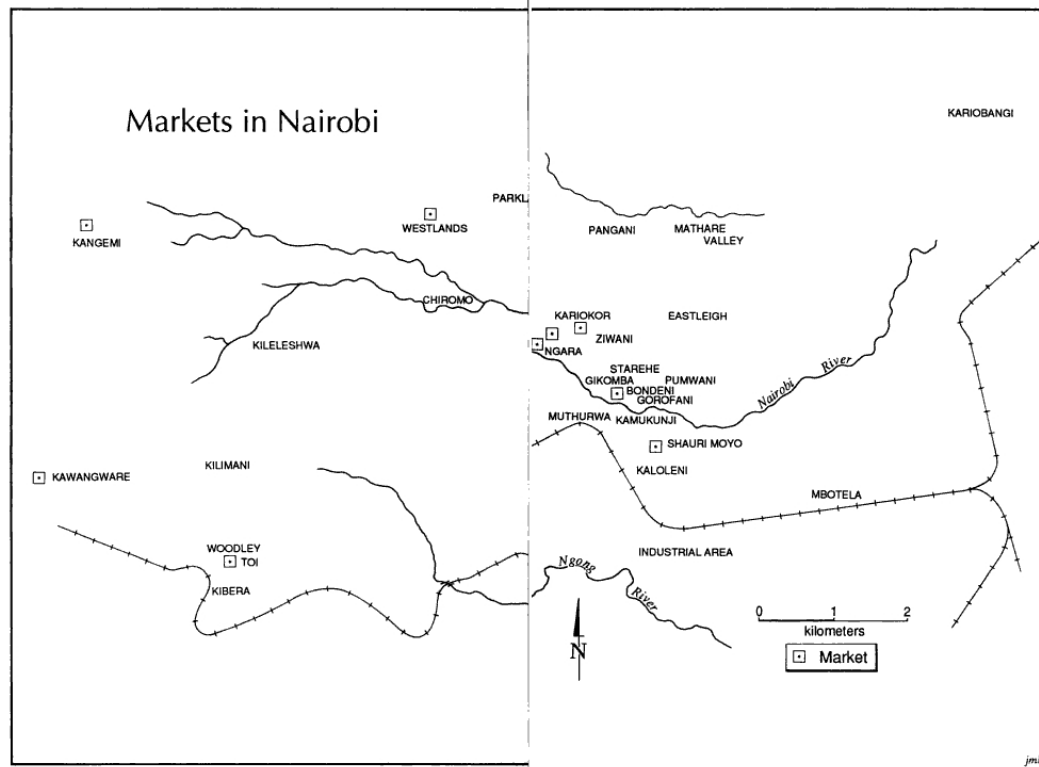


Figure 2.2: Map of Marketplaces in Nairobi  
Source: Robertson (1997b:20-21)

*Note: At the time this map was created, not all marketplaces identified in this study were formed or were well-known. To be an accurate representation of Nairobi in 2007–2008, marketplace markers should be added at Kariobangi Mathare, Muthurwa, Kamukunji, and Ziwani. Furthermore Garissa Lodge is in Eastleigh and Mutindwa is farther east in Buruburu, City Park and Highridge, are in Parklands, slightly north of Kariokor, City Stalls are between Kamukunji and Ngara, Nyamakima is southwest of Ngara, Burma is near Gikomba, City Market is located in the CBD, and Wakulima is next to Muthurwa on the edge of the CBD.*

residential and business space. Remnants of this era including a Gujarati cemetery and crematorium, Hindu temple, and Sikh temple are still standing but have been all but abandoned and taken over by squatters. Further West are Starehe and Pumwani which still have some of the oldest “African” housing in the city (King 1996).

The Africanization of industry after independence encouraged the entrance of Africans into the area South of River Road and all the way to Government Roads, eventually



forcing the Indians and British out. Quarry Road Market was one of the first government sanctioned African markets. Consisting of 243 stalls located in three concrete-block buildings, the market still exists but has been surrounded by the unofficial stalls of Gikomba. The stalls within Quarry Road are regulated by City Council in that they are restricted to specific space limitations, must pay a license, and operate certain types of businesses (primarily new textile products, such as school uniforms and crocheted home decorations, created by tailors and seamstresses). Quarry Road Market is two kilometers east of the city center however Gikomba has expanded all the way to old Country Bus station, which is less than a kilometer from Nairobi's city center (McCormick 1998:12; Akoten 2007:60).



Figure 2.3: Gikomba Market

The Nairobi City Council has unofficially ceded the land under Gikomba but has not provided an access to electricity, water, financing, or structures (King 1996). Wooden stalls have been built by retailers and covered with *mabati* sheets to protect the goods from sun and rain. However, with no official infrastructure, the areas between stalls become very muddy when it rains. Informal latrines have been erected by private indi-

viduals who maintain and clean them based on a small usage fee. Retailers contribute small fees to a communal pot to provide security in the form of Maasai men.<sup>6</sup> Despite these retailer-initiated improvements, tenure is far from secure. Occasionally, council *askaris* sweep through and arbitrarily destroy stalls. More recently, as part of the Nairobi River clean-up project, all stalls within twenty yards from the river are scheduled to be destroyed, with no plans to relocate retailers or reimburse them for this significant loss.

### **City Park Hawkers Market**

During the colonial period of residential segregation the neighborhoods around City Park were areas of Indian residence. Although this forced segregation no longer exists, many Indians remained in this area, in part because of the growth of Indian-focused services such as the Hindu temple and green-grocers selling Indian foods and spices.

In the 1990s, the Nairobi City Council enacted repressive measures against hawkers and retailers. In particular, they forced all traders out of the central business district. Many expelled retailers set up shop at Ngara Market, but there was not enough space and informal sellers and hawkers spilled over into the park grounds. In 1991, the Asian Foundation donated funds to establish a marketplace while the government provided the land title. One retailer who had been at the market since the beginning remembered how President Moi came to the dedication of the marketplace and told the retailers that they were the future of the country (City Park 6.2.07).

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<sup>6</sup>Neuwirth also observed this trend in Kibera, remarking “Every evening, merchants pay them 10 or 20 shillings per kiosk to patrol the shopping street at night. The Masai are not necessarily big, and they don’t necessarily have better weaponry, but they are known as good fighters. . . . Although no one I spoke with could explain why, there’s a belief that Masai cannot be attacked. ‘If you are with a Masai,’ Julia continued, ‘Even the police cannot arrest you.’ Recently, freelance Masai have started hanging out late at night near the major bus stops. For 20 shillings, they will escort you home” (2006:272).

The marketplace was built with basic infrastructure including toilets, water, roofs, stalls, garbage collection area, an external fence, storage areas, and drainage ditches but no electricity. Retailers pay a small fee for security and marketplace cleaning, taxes to city council, storage fees, and sometimes rent. Muraya (2006:127) found that in comparison to other marketplaces in Nairobi, in City Park, with the “installation of basic infrastructure, and the elimination of both rigid regulations and the threat of demolition, the enterprises perform more efficiently and new enterprises come up diversifying neighborhood economies and creating job opportunities.” Nearly all retailers have obtained an annual license. The customer base, predominantly Asians and Europeans, has a significantly higher income than the majority of other markets in Nairobi, adding to the ability of retailers to turn a profit. In addition, City Park was one of the only markets where I saw value-added measures taken with produce retailing, such as wrapping vegetables for better presentation.



Figure 2.4: City Park Hawkers Market

City Park attracts Kikuyu who own *shambas* (farm plots) on the outskirts of Nairobi and commute into the city every day. Proprietors of stalls cannot live in the surrounding area and have little opportunity for part-time family assistance in the business due to the distance from the homestead and cost of transportation.

## Kawangware

Kawangware has a central legal market encircled by a stone wall, surrounded by illegal stalls erected on the nearby dirt roadways. The central market operates one day a week while the external stalls operate daily. Kawangware started in the 1930s as one of the sites where Kikuyu women brought produce from Kiambu. Since it is three miles from the city center, traders there faced considerably less harassment than those in Kariokor or Shauri Moyo. However, during the Kikuyu purge under The Emergency, almost all businesses closed in Kawangware because the area is nearly exclusively Kikuyu.



Figure 2.5: Kawangware Market

Few services exist in Kawangware; however the government did recently install a huge street-light to provide more security in the morning and evening. In contrast to the other markets, most retailers live in the surrounding neighborhood and can have family members help out with monitoring the stall if they need a break. Today, most of the produce still comes from Kiambu; however other items are sourced from Gikomba. Some foreign or non-Central Highlands produce is sourced from Wakulima, Nyamakima or from farmers, through middlemen. Today few government officials or tax collectors

visit the marketplace making Kawangware the cheapest of all marketplaces studied to do business.

### **2.2.6 *Methodological Choices***

There has been a pernicious and divisive split between quantitative and qualitative methods in the social sciences. However, each set of methods has its strengths and weaknesses. Quantitative work can help to easily identify trends, relationships between variables, and causal pathways. Methods are standardized allowing for broad-scale comparability and generalizability. However, quantitative methods also must aggregate units in order to identify patterns of variables in large populations but important information about relationships between units can be obscured. Morrow and Brown argue that, "The search for causality becomes a matter of searching for nonspurious relationships between variables (not social relationships)" (1994:205). Quantitative work can seem isolated from the context and temporality giving a false sense of "objectivity" to a subjective process of choosing variables or populations to study. Moreover, the results of quantitative work can sometimes be assumed to be self-evident leading the researcher to neglect the importance of theoretical mediation. In the study of informal work the use of data collected under the term "informal economy" led to the cross-country comparison of trends that were ultimately based on different cultural understandings of informal work. In such a case, researchers run the risk of mistaking multiple trends or populations as singular and comparable (see Mead and Morrisson 1996).

On the other hand, qualitative work focuses on recording thick description of segments of society, capturing local language and images to understand local interpretations, and documenting the rich complexity of social life. Qualitative measures can help



to ground quantitative work in indigenous categories of knowledge and to highlight the influence of immeasurable forces acting upon variables in the quantitative study. Epistemologically, qualitative research privileges local knowledge imbedded in the social relations of the actors. Yet, by studying in great depth a small segment of society at a particular time, the researcher trades off some ability to predict, generalize, and determine causality reliably (Morrow and Brown 1994:206). Researchers also must interpret the data and are subject to non-local biases despite best attempts to root the work in an emic perspective. In the field of informal work, the well-researched, in-depth study of female, Kikuyu bean traders in Kenya conducted by Claire Robertson (1997b) is insightful for understanding colonial and post-colonial economic and social relations in and around Nairobi but leaves the reader questioning whether this thick description has a broader applicability.

Employing only one method in a site with multiple narratives and power structures can fail to capture the complexity of the situation. Mixed methods research is an improvement over mono-method approaches because it offsets the weaknesses of a particular method and draws on the strengths of the combination of methods. Due to the drawbacks of using only qualitative or quantitative methods to study a complex topic and field site, I employed mixed methods.

Mixed-method data collection techniques can provide a broader and more complete understanding of informal work by encouraging attention to local meanings and power structures and by suggesting innovative ways to capture different perspectives at multiple levels (Johnson and Onwuegbuzie 2004). The mixed-methods approach views surveys, participant observation, mapping, photography, life-histories, literature reviews, and rich description all as valid mechanisms to collect data. Quotes, pictures, numerical data, and narratives can complement and enrich each other and previous understand-

ing. This dissertation combines macro- and micro-level historical data with micro-level qualitative and quantitative data.

### **Limitations of Mixed-Methods**

Adding an additional method to a mono-method study can significantly increase the length and complexity of the research project. Employing multiple methods requires more time to learn their benefits and drawbacks, appropriately mix them in the research design, and collect the data. Often more than one researcher or a research team is required to share the load. The additional time, researchers, and data collection instruments needed to conduct mixed-methods studies can augment the costs of conducting research, a limitation especially relevant for graduate students.

To address this limitation in my own research project, I started studying methodological issues early on, applied for multiple sources of funding to cover additional costs, and hired a team of students to conduct the surveys. Training and monitoring the team was a time-consuming and costly process; however, without this research group, I would not have been able to obtain data on a large enough sample within each of the three marketplaces. Also, leaving the survey administration to the research team freed me to spend more time in the marketplaces conducting in-depth qualitative interviews, an aspect of the research design I would not have felt comfortable delegating to less-experienced researchers. In sum, mixed-methods often take more time and resources to implement, but these limitations can be mitigated by planning the research process far in advance.

## 2.3 Data Collection

Hypotheses one and two were evaluated primarily through secondary historical data. Macro- and micro-level historical data was collected and analyzed both before and after periods of field research. The prior analysis provided me with a record of the types of questions that had already been explored and helped me define my own research design.

Much of the theoretical development of critical theory has relied on historical sociology to understand systems of disenfranchisement and marginalization. Historical sociology requires more than just providing the historical background to social concern or identifying significant events in the past that contributed to the organization of the present. Historical sociology is first a recognition that ideas and events today are constantly being constructed and framed by a whole slew of factors; second, it is a commitment to study the processes that gave rise to these factors not only to understand the past, but also the present and the future (Abrams 1982).

We can look to scholars such as C.Wright Mills, Michel Foucault, and more recently Timothy Mitchell, who use historical sociology to question notions we take for granted, such as policy-making, capital punishment, and the economy. Their work asks questions to uncover the historical roots of such processes. Where do opinions, stereotypes, and frames come from? Why is one paradigm more dominant at this time than another paradigm? Who are the particular actors (i.e., states, institutions, corporations, or individuals) that are most influential in constructing frames in this society, and how did they come to get this power? How did these structures come to be put together in this particular formation? To answer these questions, we have to look at the historical process of social construction, the particular forms of social structure that resulted, and how those forms influence us today (Abrams 1982).



My research benefits from critical theory and use of historical methods and sociological inquiry to study social transformation, pairing critical theory with historical sociology to explore how the form of informal work we see today has been constructed by on-going relations of agency and social structure, mediated by power. At the macro-level, this work examines the interplay of academic and multilateral institutions and the construction of discourse necessarily using a socio-historical perspective. At the micro-level, this work analyzes transformations in education, identity formation, the social mobilization of informals, and state and local government policy prescriptions to understand the construction of contemporary forms of informal work.

Historical methods require the use of secondary data and as such reflect its shortcomings. Most relevant for my study, with secondary data the researcher cannot control the target population of the data collection. It may be difficult to find secondary studies that have been conducted on the target population during the years desired. In addition, the frames used to identify populations may have changed over time, leaving the researcher unsure about how the population of other periods compares to contemporary populations (McTavish and Loether 2002:212). For example, the target population of my study is informal workers, specifically retailers; however, informal workers were lumped together with the unemployed by colonial and post-colonial regimes. It was not until 1970 that this contemporary frame was employed to identify the specific subset of the population I wish to study. Some datasets, such as the Demographic and Health Services (DHS) series and the Key Indicators of Labor Markets (KILM) survey, do not employ the frame of informality in the service sector when surveying respondents about labor market activities. Thus, these potentially lucrative sources of secondary quantitative data had to be abandoned for the purpose of this study. With secondary data, the researcher is confined by the categories previous researchers or institutions found useful or politically pragmatic.

Qualitative secondary research is also limited by a lack of knowledge about the data creation. The researcher was not a part of the original project and as such is not privy to the social context in which the data was created. McTavish and Loeether (2002) offer an example of trying to interpret a historical letter without knowing the relationship between the recipient and the sender or the consequences of sending the letter. Without these key pieces of information, it becomes more difficult to accurately interpret the data gleaned from the letter. This limitation influences this research because it relies upon secondary data that was collected under unknown circumstances. Perhaps the survey was conducted under threat of force or duress, or the respondents did not feel they could answer honestly because of the race, ethnicity, gender, or occupation of the interviewer. Without knowledge of these components of the social context, I risk perpetuating any original misrepresentation in data interpretation. While qualitative secondary data is often criticized for its reliance on inference and subjectivity, it is important to recognize that all types of data, whether qualitative or quantitative, primary or secondary, requires interpretation and subjective decision-making that introduces bias. Mitigating these biases as best as possible is the ethical responsibility of the researcher.

Hypothesis three was evaluated using mostly primary micro-level qualitative and quantitative data. While in Kenya during the summers of 2007 and 2008, I trained a team of Kenyans in survey techniques so they could conduct micro-level surveys of the three marketplaces, yielding both quantitative and qualitative data. During this time, I conducted in-depth interviews, participant observation, and photo-novella to gather qualitative data from key informants. This primary data collection raised new questions, especially about the activation of power through policy, and after I left the field I revisited the macro and micro-level historical data to fill in the gaps.

Macro-level data can highlight large-scale processes and transformations but micro-level data is needed to understand the persistence of the marketplaces and benefits accruing to its participants. Due to the paucity of accessible micro-level data on informal employment in Kenya, I hired and trained university-educated students to conduct 211 open-ended surveys of retailers in three marketplaces around Nairobi, providing quantitative and qualitative data at the marketplace level.

Five students (three males and two females) pre-tested the questionnaire during three days of fieldwork. The questionnaire was subsequently revised and the research teams (3 males, 1 female) conducted the new surveys in pre-determined geographic locations based on the marketplace typology. Researchers were instructed to interview retailers over 18 and to start surveying at opposite ends of the marketplaces to increase variation in commodity-type and to decrease the chance of locational bias. Researchers were also trained on the ethics of research and were required to read an oral consent form and receive consent before proceeding with the survey. Multiple practice interviews were conducted in order to assure ethical responses to interviewee questions, preference not to participate, or desire to stop during the survey. The data obtained allows for an analysis of the benefits that accrue to marketplace retailers, reasons for entering the marketplace, from where they (or their parents) have migrated, desire to pass on the career to children, and several quantitative indicators such as level of education, marital status, and age. The preliminary findings are presented in Table 2.4.

Qualitative methods such as in-depth interviews, photo-novella, and community mapping offer a unique lens on participants' processes of personal and collective identity formation. The in-depth interviews give particular insight into the process of microstratification in the informal economy and the (sometimes unintended) effects of state policies. To augment the data collected through in-depth interviews, the innovative tech-

Table 2.4: Findings from the 2007 Survey

1	Retailers at the central and suburban market had more education than their counter parts at the slum market
2	Retailers at the central market had been selling the longest compared to other marketplaces with over 35 percent having been at the central market for over 6 years
3	More retailers at the slum market (25 percent) had left formal employment than those in other markets. The central market had a higher percent of school-leavers/graduate.
4	46 percent of retailers at the central market had a cellphone for business purposes compared to 17 percent at the slum market
5	Surprisingly, respondents who did not want to change jobs reported working longer hours than those who did want to change
6	Of those who were not interested in changing 58 percent were married and 34 percent were single
7	37 percent of those who did not want to change enterprises would pass their business on to their children
8	21 percent of those who did not want to change jobs reported no limitations to expanding their business while 47 percent reported financial difficulties
9	Younger respondents were more interested in changing jobs than older respondents

nique of photo-novella was employed to provide insight into the values and relations of retailers at times when I could not be present in the field (Harper 2002). Until recently, researchers have understood the social world primarily through the written word; however, visual techniques can highlight patterns, relationships, and concentrations that may not be otherwise apparent (Harrison 2002).

Following visual sociology methodology, key informants took photographs to create a data set of visual knowledge. This reversal of the typical researcher-informant relationships rejects traditional Northern views of power and the construction of knowledge. The legitimation and privilegedging of local knowledge, categories, and perspectives give the photographers a “photo-voice” with which to record their lives and values (Wang et al. 1996). However, as with all data collection methods, there are limitations to photo-novella techniques.

Qualitative research is often criticized for its subjective, imprecise nature, and its limited use in generalizing, predicting, and determining causality (Morrow and Brown 1994). Moreover, bias can occur if the researcher interprets the photos according to categories of knowledge outside the culture. To reduce ethnocentric interpretation, I discussed the meanings of the photographs with participants on an individual level. However, bias can still occur since participants may have been providing an interpretation of the photos based on what they believe the researcher wants to know. In an attempt to limit this type of bias, I only introduced the photo-novella method with key informants with whom I already had a strong relationship. No photo-novella interviews were conducted earlier than after one month of spending nearly every day with participants and before being introduced to at least one family member.

A more practical limitation to photo-novella methods in my research was the connection of cameras with white tourists. Few adult participants had used a camera before this research, and their experiences on the receiving end were limited to professional portraits. Participants struggled to take candid pictures of other retailers, many of whom were uncomfortable with the presence of the camera and unwilling to give permission to be photographed. I had originally planned for participants to take a roll of pictures per week — starting with twelve exposures and moving to thirty-six as they became more comfortable. However, I struggled to get the participants to complete their rolls of film in one week. They took the project very seriously, and wanted to capture the most important elements of the weekly theme, but would take only one picture to capture that theme. The notion of capturing an image or process from multiple angles was not easy to convey. Historically, much of the research using photo-elicitation has focused on Northern contexts familiar with cameras, the perspectives of children, or participants from rural or small communities (Harper 2002:23–24). Researchers have had significant success with visual sociology methods, particularly photo-novella, among children

(Driskell 2002; Auyero and Swistun 2007; Ewald 2000). However, I struggled to translate the methodology used in these contexts to the crowded urban marketplace.

Ultimately, photo-novella can only capture part of the social world. Processes occurring outside the frame influence what is happening inside, and thus a snap-shot in time can offer a skewed image. Visual sociology uses interviews with participants to understand processes occurring outside the frame, but ultimately this method must be paired with others to more fully capture social life. One last benefit of photo-novella and qualitative research in general is that these methods encourage the researcher to question her place in the study and how her own biography may frame the results. The following section will discuss this issue of self-reflexivity in more detail.

## **2.4 Self-Reflexivity**

Objectivity in social science is clouded by the biases, viewpoints, and personal histories that the researcher brings to the study. While it is important to mitigate these influential factors as much as possible, it is also essential to recognize the subconscious influence they may exert on the research process and outcomes, especially given the context of the research site. In the context of Kenya, divisions based on race, class, gender, and ethnicity have been used to justify domination and exploitation for centuries, and as such, inequalities stemming from such categorizations are deeply imprinted on the minds of the researcher and the researched. White, middle-class British men played a large role in formalizing boundaries between constructed categories of being to their own benefit. Although I am not rooted in these colonial categories of power, I do come from a nation exerting hegemonic influence in the modern global economic system and am recording the identity of Kenyans that in some small way may contribute to formalization. I do

like to think though that my experiences living, studying, and researching in Africa, my long-standing study of the continent, and my subsequent appreciation for local knowledge systems have contributed to a more broad perspective than would otherwise be expected given my ascribed characteristics. I do not take the role of researcher in a foreign culture lightly and exerted great effort to record the words and perspectives of those whom I interviewed accurately and completely to reveal their voice in this work.

## **2.5 Why Informal Work?**

In classic development literature informal work has often been viewed as subordinate to formal work due to its lack of political recognition, diffuse boundaries, lack of permanent premises, and absent data on economic contribution. According to modernist theories, informal work should eventually be replaced by formal work (Cross 2000). However, recent empirical studies have revealed the rising importance of informal work in the demographic, economic, political, and social status of developing nations. Demographically, informal workers are thriving, occupying up to 85 percent of the urban labor force in Africa (Akinboade 2005; ILO 2002). Economically, increased profitability from this type of labor offers new avenues of research on its macro-economic contribution and its approximation of the wages and benefits offered by formal employment. Politically, the persistence and breadth of informal work is forcing governments to recognize their own institutional and professional dependence on some aspects of this form of employment. Sociologically, participation in informal work raises new and interesting questions about social stigma, identity formation, class consciousness, social movements, and strong and weak social ties. This section will explore the increasing relevance of studies of informal work for understanding trends in demography, economy, politics, and social development.

### **2.5.1 *Demographic Importance of Informal Work***

Over the last decade, massive population shifts have occurred between rural and urban localities in nearly all nations. For the first time in the history of the planet, the number of people living in cities will soon outnumber those living in rural areas (Davis 2006). Rural-urban migration is often viewed as catalyst for the reproduction of informal work. In Kenya, there has not only been a significant amount of rural-urban migration but also urban-urban migration, whereby up to 40 percent of recent migrants to Nairobi are from other urban centers, thus exacerbating primary city bias (Zulu et al. 2006). This trend is especially important for the study of informal employment because many residents of secondary urban areas work for informal firms and can be expected to transfer their skills more easily than farmers to the urban areas, thereby making these migrants potentially more successful in urban informal work.

The over-representation of certain marginalized groups in informal urban work is also concerning to demographers and development practitioners. Informal work is assumed to be less stable, economically rewarding, and protected than formal work, supporting concerns that structural disenfranchisement and gendered labor markets have contributed to the increased presence of vulnerable sub-populations in informal employment. For example, Charmes (2000) found that 83 percent of Kenyan women not employed in agriculture were employed in the informal sector whereas only 59 percent of men not employed in agriculture were similarly employed (Akinboade 2005:262). Akoten (2007) found that age and ethnicity had a significant effect on profitability and poverty. Informal work can operate as a release valve for over-burdened public and private sectors; however this results in a large number of urban dwellers shifting between positions with and without pensions, benefits, and hourly wages.



Table 2.5: Yearly Employment Statistics for Kenya

Year	Total employed off-farm (mil)	% In wage employment	% Self employed & unpaid	% Informal
1988	1.74	77.5	2.5	20.0
1989	1.80	76.2	2.5	21.3
1990	2.40	58.8	2.0	39.2
1991	2.56	56.4	2.0	41.6
1992	2.75	53.1	2.0	44.9
1993	3.00	49.2	1.9	48.9
1994	3.36	44.8	1.7	53.8
1995	3.86	40.4	1.6	58.0
1996	4.33	37.4	1.5	61.1
1997	4.70	35.1	1.5	73.5
1998	5.04	32.7	1.5	65.9
1999	5.48	30.5	1.2	68.2
2000	5.89	28.4	1.1	70.4

Source: Government of Kenya, *Economic Survey* (Manda 2004:19)

*Note: These statistics should not be taken at face-value due to the changing understanding of informal work. In particular, the percentage of informal work in 1988 seems unrealistically low. Despite this limitation, they do offer an important window into the government's perspective on informality, in this case viewed as a relatively recent phenomenon.*

### **2.5.2 Economic Importance of Informal Work**

Informal employment increasingly contributes to the economic and social development of a nation. In Kenya, informal enterprises contribute approximately 18 percent of GDP (Republic of Kenya 2009b).<sup>7</sup> A study of 200 informal entrepreneurs in Kenya revealed that they invest over a million shillings (approximately 14,000 USD) into their businesses per annum and are a significant source of capital accumulation and reinvestment into the local economy (Macharia 1993). The ILO estimates that 98 percent of small

<sup>7</sup>This is a surprisingly high statistic given that it probably significantly underestimates the number of informal workers because it is based on the 1972 ILO definition of the “informal sector” (2007). Daniels (1999) estimated that MSEs make up only 13 percent of GDP. However, more than ten years after the original survey of informal workers was conducted, the government is still using the results as its official estimate of informal sector productivity (Republic of Kenya 2009b).

businesses in the country are informal and that this sector has a growth rate of 12–14 percent, resulting in an informal workforce of 4.6 million people in 2001 (Riley and Steel 2000; Government of Kenya 2002 in Muraya 2006). In many places, the market-clearing wage of the informal sector is higher than the urban minimum wage, even in low-status jobs like candle-making in Nairobi (King 1996; UN-HABITAT 2006). With the wage differential between rural and urban jobs being a key force in rural-urban migration, the urban minimum wage theoretically must be significantly higher (usually at least 30 percent according to Arthur Lewis's hypotheses) than rural wages to make informal employment a more profitable option than farming (Lewis 1954:150 in Fields 2007a).

Small-enterprises, especially manufacturing, have been seen as essential for reducing dependency on high cost foreign imports. Local manufacturers can provide industrial inputs at a fraction of the cost of importing them. Moreover, local production of high-quality, low-cost goods provides competition for formally manufactured goods and can serve to stabilize or decrease prices of products (UN-HABITAT 2006).

In certain parts of the world, especially Latin America, Asia, and garment-producing countries such as Mauritius in Africa, informal work is a key component of multinational success at the global scale (Lall 1998:107). Such countries rely on strong backward linkages with suppliers of inputs and labor and use informal businesses as an essential method of keeping costs minimal during the production process. Although subcontracting from multinationals composes only a tiny fraction of informal employment in Kenya and is virtually non-existent in the informal marketplaces, multinational and national corporations do employ significant numbers of workers as commission sellers (Kenya Human Rights Commission 2004; Bromley 1978b:1167). Thus, most of the informal business licenses in Nairobi are given to commission sellers of consumption goods like

Coca-Cola and newspapers like the *Daily Nation*. Whether through backward-linkages, subcontracting, or commission selling, informal workers play an important but often hidden role in the productive processes of commodity chains.

### **2.5.3 *Political Importance of Informal Work***

The rise in percent of population, education level, and mobilization potential of informal workers has forced governments to pay attention to the needs and demands of the working class, especially during election periods. Mike Davis suggests that “Altogether, the global informal working class ... is about one billion strong, making it the fastest-growing, and most unprecedented, social class on earth” (Davis 2006:178). If mobilized, informal workers who make up a significant proportion of the national population could become a strong political force.

Political leaders in Kenya have addressed this rising concern in predominantly three ways. First, they have deterred the development of class-consciousness and solidarity by inciting ethnic tensions that serve to divide the urban working class and ultimately divert attention from class concerns. Prior to independence in Kenya, the colonial administration encouraged the development of “tribal associations” to ostensibly care for the concerns of their tribespeople; however this had the result of fragmenting the interests and mobilization base of Africans (Furedi 1973). Mitullah (2002:4) argued that in post-colonial Kenya “in order to counterbalance this presumed ‘hegemonic project’ of the Kikuyu and the Luo, the leading political players from non Kikuyu-Luo groups, notably, Masinde Muliro, Ronald Ngala and Daniel Moi resorted to the expedience of ethnic mobilisation” by establishing new ethnic boundaries aligned with the control of material and social goods.

More recently, the contested 2007 presidential elections offered a glimpse into ethnic boundary-making closely aligned with the political machinery. Ethnic tensions between the Kikuyu and Luo arose over political and economic grievances that included the historical lack of Luo representation in the presidency and the resulting limits on social and economic privilege.<sup>8</sup> Ethnic tensions between the Kikuyu and Kalenjin stem from Kenyatta's redistribution of British plantations in traditional Kalenjin territory to Kikuyu settlers after Independence. Kenya's first and third presidents were Kikuyu, while President Moi was Kalenjin, but all have used their political power to obtain special privileges in business and land ownership, which they have in turn exchanged for political patronage.<sup>9</sup> President Kibaki, elected in 2002, has continued policies of ethnic favoritism by appointing primarily Kikuyu to his ministry and being unwilling to address issues of land reform. In contrast, the primary opposition leader Raila Odinga, a Luo, made a campaign promise to "end Kikuyu favoritism and share the fruits of Kenya's growing economy with all tribes" (Gettleman 2008).<sup>10</sup>

The months preceding the election were calm on the surface but ethno-political tensions were broiling underneath. The Luo felt they were entitled to the presidency and all of its spoils after many years of Kikuyu and Kalenjin leadership. When Kibaki won by a very slim margin amidst reports of vote-rigging, the long litany of grievances the Luo harbored manifested itself in violence. The Kikuyu were viewed as having benefitted from years of political favoritism allowing them control over the rest of the populace as slum landlords, prominent business-owners, and lucrative traders. The Luo

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<sup>8</sup>See April Gordon (1995) for an excellent nuanced historical account of the rise in animosity between Kikuyu and Luo.

<sup>9</sup>The murder of the highly-respected Luo leader Tom Mboya in 1969, suspected to be a political assassination conducted by Kenyatta's administration, has added to the sense of anger and entitlement of Luo's seeking the presidency.

<sup>10</sup>Raila Odinga is the son of another Luo leader during the independence movement, Oginga Odinga. Odinga Sr. was the first vice-president of Kenya but resigned after disagreements with Kenyatta, to be replaced by Moi. Odinga Sr. tried to form an opposition party but was prevented by an amendment to the Constitution making Kenya a one-party state after a coup attempt against Moi in 1982.

targeted these sites of perceived grievance, razing Toi market and Kikuyu-owned structures within Kibera and Mathare (Gettleman 2007; Interviews 06.2008). In rural areas Kalenjin were angered that the unfair land distribution would not be redressed and lashed out at Kikuyu. The sad irony of the violence is that the people most affected were poor Kenyans, those unlikely to benefit significantly from ethno-political favoritism. In summary, the example of the 2007 presidential election gives evidence of how political elites use politically-constructed ethnic tensions to distract from class-based political mobilization that could benefit the poor (Kikuyu, Kalenjin, and Luo alike).

## Kenyan election death toll tops 250



Figure 2.6: The Destruction of Toi Market during the 2007 Presidential Election Violence in Kenya

Second, political elites have deterred class mobilization through brutal repressive actions on certain sectors, while favoring other sectors. Such policies have restricted class-based solidarity and contributed to a segmented working class. As will be discussed in

detail in later chapters, President Moi enacted policies in the 1980s that favored small-manufacturers in Kenya while failing to require that the Nairobi City Council (NCC) reform municipal bylaws that criminalized hawkers and traders (Gichira 1991). Policies of confiscating goods, razing kiosks, and imprisoning or fining hawkers and traders continued while the state erected sheds for the small-manufacturers and encouraged the provision of credit to this sub-sector. Such differential treatment resulted in a bifurcation of perceived grievance against the government and restrained collective mobilization for broad-based reforms.

Third, governments offered infrastructure or development concessions in return for political patronage (Portes et al. 1989:27). In Kenya, months before the multi-party democratic elections in December 2007, the incumbent party postponed its planned forced removal of street vendors from Nairobi City Center and promised to create a centrally located marketplace that would house several thousand vendors in the future. In order to prove it was making good on their promise, the government began construction on the new marketplace shortly before elections (Muthurwa 06.25.08). The incredibly abbreviated planning and construction time (especially given that it took more than two years to complete a nearby mile-long section of major roadway) that went into building the marketplace indicates the political objectives of the commissioner of the project and his desire to placate and persuade a significant portion of urban dwellers immediately preceding the general election.

Informal work is also politically important because it is a significant source of revenue for the local government through taxation, fees, and fines. In Nairobi marketplaces, the average taxation rate for retailers was Ksh 50 three times per week.<sup>11</sup> For an average marketplace of 3,000 vendors, this adds up to over 23 million shillings per annum, which is nearly 350,000 USD. This is a large sum of money, especially when consid-

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<sup>11</sup> At the time of research 72 Ksh = 1 USD

ering that there are over 20 marketplaces in Nairobi and some, especially those on the periphery, are yet to be taxed.

Licenses purchased from City Council for informal businesses cost Ksh 5,000 per year. Even by selling a small number of licenses, say 3,000, the government can make nearly 210,000 USD in revenue per annum. The current trend is to encourage governments to increase the number of allotted licenses, and if this policy is implemented, the city would obtain a significant amount of additional revenue. In addition to profits gleaned from taxing and licensing, the city council also collects fees for transporting goods into the city limit and charges fines for non-compliance with a myriad list of rules and antiquated bylaws set by the city council. Certainly there is corruption in the monitoring process that siphons money away from city council coffers, despite the receipt system to set up to legitimate the transactions, but it is clear that the city council still makes a considerable amount of money from regulating informal business (Blattman et al. 2004).

#### ***2.5.4 Social Importance of Informal Work***

Finally, the study of informal work is essential to understand social development in the wake of the IMF's Structural Adjustment Programs (SAPs), which left many developing countries without key social services after the 1990s. The provision of informal services, such as water taps, latrine exhaustion, informal schooling, health-care, and transport often filled in the gap for social services lost under SAPs, albeit at higher prices than would be expected under government control (Gulyani 2006; Gulyani and Talukdar 2006). Informal service provision often makes the most difference for the low- and middle-class; however, all classes benefit from the production and retail of consumer

goods. Indeed, 90 percent of Kenyan retailers purchase and sell unique local products that do not have competition from imports such as undergarments, hats, blankets, school bags, uniform and sweaters (Akoten 2007:62).

A recent article in the *Daily Nation* reported that many women living in the residential estates were returning to the central market downtown to purchase their household's staples due to the rising costs of food in the supermarkets (Bonyo 2008). In 2003, market stalls and street traders commanded 58 percent of the market share in fresh fruit and vegetable sales while supermarkets contributed only four percent (Neven and Reardon 2004:671).<sup>12</sup> In addition, the *Daily Nation* reports from time to time that even the wealthy come to Gikomba to buy their suits and clothes because of the unique style and high quality offered there (for example, see "Political Face of Fashion," Odero 2008; O'Callaghan and Juma 2009). These articles are substantiated by field research conducted in 2007 and 2008 that documented wealthy clients buying produce and goods from informal retailers in all three marketplaces under observation.

Informal work also engenders opportunities for entrepreneurship and innovation, providing workers the freedom to develop themselves without oversight. Kenneth King (1996) documents the creative ways small-scale manufacturers have designed and created metal work equipment by hand. This ingenuity has led to the development of local goods to meet local needs and provides a sense of pride for workshop owners who work on their own terms. Many such workers were previously employed in the industrial area but left due to harassment, low pay, and unhappiness with the lack of control over product and process development. For those at the very bottom of the economic ladder, informal work can also provide a survival mechanism. Almost anyone can sell a product by the side of the road or carry used-clothing bales between wholesale and retail sites. In

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<sup>12</sup>Neven and Reardon (2004:671) cite a consistent 18 percent annual growth rate for supermarket market share over the past eight years due to improved economies of scale and identifying underserved populations.





Figure 2.7: Fashionable Clothes in Gikomba Marketplace

lieu of a welfare system or public assistance such as soup kitchens or homeless shelters, this small income might be enough to provide them food and housing for the day.

## 2.6 Conclusion

The chapter began by rooting this work in sociological theory. In particular, this dissertation employs Michel Foucault's political theory and methodology but with a few noted caveats. In addition, Gramsci's discussion of mechanisms of consent and coercion are discussed as useful addendums to Foucault's mechanisms of normalization and bio-power.

In light of Foucault's methodological considerations, this chapter highlighted the methodological choices made to research the three hypotheses. The chapter also explained why the setting of Nairobi, Kenya was an appropriate field-research site based on its long history of informal sector research and its comparability with other nations

in Africa, and provided a justification for studying informal work, giving particular attention to demographic, economic, political and sociological considerations.

The following chapter builds on Foucault's discussion of how the dominant group begins to seek ways to control and circumscribe the individual, partly by making the individual into an object of scientific study. In "Discipline and Punish," Foucault analyzes the penal system as a technique of power revealing how "a specific mode of subjection was able to give birth to man as an object of knowledge for a discourse with a 'scientific' status" (1995:24). Academic disciplines arose around quantifying and measuring populations and the human body, producing knowledge that could be used to control human life much in the same way academic disciplines arose around quantifying and measuring production and productive element of labor in developing countries. The academic discourses arising from the field of development economics and economics more generally have shaped structures and policies that have influenced the development of the concept of informal work. To this discussion we now turn.

### CHAPTER 3

## MODELING INFORMAL WORK: KEY ECONOMIC THEORIES AND THEIR POLICY IMPLICATIONS

Foucault argues that power cannot exist without a knowledge system or a discourse through which it transmits authority, while at the same time knowledge demands a system of authorization and dissemination to be considered “true,” “valid,” or “common sense.” He writes, “power and knowledge directly imply one another; . . .there is no power relation without the correlative constitution of a field of knowledge nor any knowledge that does not presuppose and constitute at the same time power relations” (1995:27). Discourses are most powerful (and dangerous) when the truth claims they issue are internalized as “natural” because of the juridical authority behind them and can be used to define normative behavior.

In the field of development, large multilateral institutions exert a powerful influence over the development of a wide-range of policies. As Foucault argues, these institutions would not exert such a powerful influence without an accompanying discourse to lend authority to their policies. Multilateral institutions rely on an array of consultants, many of whom hold positions or were students at key Northern academic institutions, to analyze empirical evidence, create models, and hypothesize outcomes of interventions. While a diversity of perspectives are presented by consultants, these institutions exert a powerful influence by “framing” discourses as part of grand paradigms, resulting in what Foucault termed the power of normalization. Discourses stemming from these multilaterals have defined the norms of practice in fields as varied as governance, industry, economic development, resource management, and even cultural preservation. This chapter traces the influences of certain economic paradigms rooted in academic institutions and the concurrent rise of fields of knowledge around international develop-

ment, that when adopted and implemented by international organizations became quite influential in forming dominant understandings of labor, labor markets, and ultimately informal work.

### **3.1 Economic Theories of Development**

Two dominant macroeconomic paradigms that presented opposing conceptualizations of economic development arose in the 20<sup>th</sup> century to guide economic thought and political action (Moore 1995). In both, scholars were influenced by recent historical events, such as the Great Depression and the World Wars, and sought ways to prevent such calamities through markets and the government. These paradigms influenced many policy decisions but ultimately destabilized when new and conflicting evidence was privileged, instigating a paradigm shift.

Keynesian economics reached its heyday in the 1940s and 1950s. Stemming from John Maynard Keynes' experiences in the Great Depression and World War II, Keynes supported an interventionist government that would regulate the economy and thereby maintain a reasonable level of employment, economic growth and stability, and a decent standard of living for its citizens. His economic models became increasingly important during the development of the 1944 Bretton Woods Agreements, which regulated international financial capital and economic world order by managing exchange rates, setting guidelines for Europe's post-war reconstruction, and creating international regulatory bodies such as the World Bank and the International Monetary Fund (IMF). Although these agreements supported an open system of trade, they also made provisions for government intervention (Hoover 2003:3). After the recovery of European economies post World War II, much of the attention of economists was diverted to focus on understand-

ing how to accelerate national economic growth in colonial and ex-colonial states. Many early development theories were rooted in Keynesian economics and as such, envisioned the state as the primary actor in fomenting development (Leys 1994; Moore 1995).

Keynesian economics influenced a number of British economists at the Institute for Development Studies (IDS-Sussex) who conducted some of the first empirical research on informal labor. In particular, IDS-Sussex helped to popularize the term “informal economy” in the 1970s through academic and institutional publications, by hosting conferences, and by providing development economists to lead the World Employment Program (WEP) at the ILO (McNeill 2004).

Across the pond, libertarianism, exemplified by the Chicago School of Economics (CSE), challenged the prevailing macroeconomic theory of Keynesianism. Economic theories and models based in free-market economics and monetarism coming out of CSE around the middle of the 20th century aided in the construction of U.S. domestic and international economic agenda (Hoover 2003; Rayack 1987; Mitchell 2006). Although CSE scholars did not write directly about international informal labor markets, their models supported a widely-accepted discourse that privileged certain constructed views of informal work. Although CSE is seen as the ideological center of American economics, economists at other elite institutions such as Harvard, MIT, Columbia and Yale, have made significant contributions to American economic policy (Hoover 2003).

With CSE’s promotion, libertarianism began to dominate economic theory in the United States. By the 1980s, with the endorsement of Reagan, Thatcher, and Volker, neoliberal theories exerted a chokehold on the political and economic agendas of the North (Hoover 2003:213-215). Between these two periods of time, the world saw the rise of a new institutional form — the multilateral development organization. Modeled on Keynesian calls for interventionist government, institutions coming out of the post-war

agreements at Bretton Woods, New Hampshire, such as the World Bank/IBRD and the IMF began to amass a great amount of influence, in part because of their intended role of monitoring international capital (Hoover 2003:3). However, these institutions were quickly rendered subservient to the political agenda of the U.S. and Europe through the mechanisms of leadership and funding. By the 1980s, the most powerful of these institutions, the World Bank and the IMF, were heavily influenced by neoliberal economics (Leys 1994). This paradigm depended on a certain subset of economic theories developed by economists embedded in elite academic institutions, for validation. Multilateral institutions then privileged and publicized this knowledge over alternative theories such as dependency theory (Mitchell 2002, 2008; Boas and McNeill 2003).

In recent years, economists have been playing an increasingly important role in international organizations such as the World Bank, International Monetary Fund (IMF), World Trade Organization, the International Labour Organisation (ILO), and the African Development Bank (Mitchell 2002, 2006). The dominance of one field of inquiry has renewed the importance of and reliance upon field-specific theories that can be modeled with relative ease (Boas and McNeill 2003; Rayack 1987). The following sections trace the influence of theories and models rooted in the two previously discussed macroeconomic paradigms on the development of the global understanding of informal work and policies relating to informal labor.

### **3.2 *Modernization Theory***

Rooted in Enlightenment ideals of reason, freedom, democracy, modernization theory privileged rationality and order. It was the task of the State or empire to provide this social structure, leading to the obsession with regulatory control and outcome of power, as

highlighted in several of Foucault's case studies. The underlying logic of modern theory rests with Keynesian economic theory that sought a balance between market and state to obtain economic development. According to John Cross (2000:33) the Keynesian "system emphasized, on the one hand, the centralization of production and distribution in the hands of mega-corporations built around the theory of economies of scale. On the other hand, it emphasized the regulatory role of the state in managing relations between workers, managers, owners, and consumers." This section traces the influence of Keynesian thought on development theory through the Singer-Prebisch theory and Import Substitution Industrialization.

Import Substitution Industrialization (ISI) arose in Latin America in the 1950s as a practical response to the Great Depression, when their dependency on international trade crippled their national economies. Brazil, Chile and Argentina were forced to look inward and develop domestic manufacturing to replace over-priced foreign imports and find local markets for the sudden surplus of local products. ISI was "a policy of necessity" but it ultimately led to a questioning of classical economics (Love 1980:51). Out of this material and ideational crisis, arose the Singer-Prebisch theory, developed in 1950 independently by Raul Prebisch and Hans Singer.<sup>1</sup> This theory argued that terms of trade

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<sup>1</sup>Singer studied under John Maynard Keynes at Cambridge, receiving his PhD in Economics in 1936. Singer held several directorships at the UN, including the Director of the United Nations Research Institute for Social Development (UNRISD) during the time he developed this Singer-Prebisch theory. After resigning in 1969 he moved to IDS-Sussex where he was quickly recruited to become the director for the ILO's new World Employment Programme (WEP), leading the first two missions (Singer et al. 1998). From an early age Raul Prebisch showed promise. After completing a master's degree in economics in the prestigious Economics Department at the University of Buenos Aires, Prebisch was appointed to several key positions in the government, including an advisor to the ministries of finance and agriculture, and the director-general of the Argentine Central Bank. Although he had been trained in the classical economics, including comparative advantage international trade theory and with its doctrine of export-led growth, the Great Depression in the late 1920s and early 1930s and Argentina's subsequent dependency on trading partners offering increasingly imbalanced terms of trade pushed him, like many economists around the world, to rethink domestic and international economic policy. By his own admission, he was deeply influenced by Keynes, especially after hearing his ideas at the World Monetary Conference in 1933 for remedying the economic vulnerability facing Argentina. He would later publish a book *Introduction to Keynes* (1947). After being exiled by the Peron regime, Prebisch took various positions in key multilaterals, becoming the director of the United Nations Economic Commission for Latin America (UNECLA), then United Nations Conference on Trade and Development (UNCTAD), and finally United National

between low-income countries producing primary goods for export and high-income countries importing the raw materials deteriorate over time, becoming increasingly unfavorable for the low-income country. Every year, each ton of primary product exported would purchase fewer inputs such that low-income countries were unable to develop domestic manufacturing and thus became dependent on the manufactured imports from the high-income country (Singer et al. 1998). These ideas were crucial to later theories of uneven development in which southern income is stagnant or lags behind northern income indefinitely.

In order to counter this trend of economic dependency and the ensuing foreign political interference, Prebisch advocated for ISI policies that encouraged the local manufacturing of strategic substitutes for high-priced imports, tariffs to help protect these nascent manufacturing industries, and import incentives for machinery (Shivji 2006). According to Keynesian economics, this initial protectionism was one way an economy could benefit from government intervention. In theory, import substitution policies would encourage local manufacturing and provide more job opportunities to the unemployed.<sup>2</sup> As competition grew domestically through the proliferation of firms, technology, and technical knowledge, local industries would be forced to become more efficient and innovative to stay in business. However, in order to allow domestic manufacturing to develop to reach this level of self-sufficiency, a certain degree of protection was needed against large, well-developed multinationals and foreign firms.

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Latin American Institute for Economic and Social Planning. Institutional lineages hold important implications for the types of paradigms that influence scholars as well as their social network for disseminating these ideas and influencing others. By virtue of their highly influential positions, the theories of both economists garnered wide-spread recognition (Love 1980).

<sup>2</sup>Unemployment was a major concern in part because the term “informal sector” had not yet been conceptualized. As a result, all non-modern sector adults were considered unemployed. This number rapidly increased from the 1950s onward in Kenya. Kitching (1980b:378) reports that between 1948 and 1969, “the total adult male African population of Kenya rose by 84.5 per cent whereas formal sector employment rose by only 39 per cent.”



In Kenya, the newly independent government of Kenyatta instituted ISI policies along with the Africanization of politics and industry. This was doubly beneficial for Kenyan elites who now not only received industries as political favors, but also gained a protected supportive economic environment through ISI policies (Muller 1981; Swainson 1978). ISI remained an economic policy in Kenya until the late 1980s when World Bank and IMF's structural adjustments introduced market liberalization.

The support for ISI by the World Bank and IMF in the 1950s and 1960s may seem surprising given the liberalization policies they support today. However, both institutions were birthed in Keynesian economics and only began to shed that paradigm with the advent of neo-classical economics in the 1980s. Although, ISI policies privileged capitalism in that they pushed countries toward industrialization and ultimately international trade, their protectionist bent was viewed by neo-classicists as hindering the natural self-correcting mechanism of the market (Moser 1978:1045).<sup>3</sup> The Singer-Prebisch model received short-lived support from the World Bank and other multilaterals that preferred free-market strategies for economic growth based on competition (Shivji 2006).

In the 1950s and 1960s, other theories of economic development began to replace the Singer-Prebisch model. In particular, Rostow's Stages of Growth hypothesis postulated that developing countries could transition to a high level of economic growth and human development by following the economic path of rapid industrialization taken by Northern nations. Rostow (1960) argued that societies with a higher percentage of "traditional" economic activities were unproductive, highly reliant on agriculture, and had strong social hierarchies that limited the economic growth that could bring about improved well-being (Fields 2007b). Modernization was presumed to occur linearly so

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<sup>3</sup>In predominantly agricultural countries, the World Bank encouraged policies of "intensification of the monoculture agriculture for export ... and throwing open of the extractive and resource based industries to transnational corporations" in order to build up the necessary capital reserves to embark on industrialization (Shivji 2006:2). Under modernization theory, such agricultural societies were seen as pre-modern.

that to reach the final stage of “a high mass consumption society,” the previous stages of economic generation, growth, and maturity had to be accomplished (Todaro and Smith 2003).

An essential component of the modern-sector enlargement model was the existence of a modern and traditional sector that were complimentary so that growth in one would trickle-down to the other (Fields 2007b; Todaro and Smith 2003). Nobel prize winner Arthur Lewis, trained at the London School of Economics, developed an economic model for modernization that established the modern sector as being composed of urban industries with high productivity and wages at least thirty percent higher than the traditional sector (Fields 2004b). The traditional sector, also known as the rural sector, was primarily composed of subsistence farmers who had no marginal labor productivity. Since adding or subtracting one more unit of labor would not affect their productivity, rural workers were truly surplus labor (Fields 2007b).<sup>4</sup> Labor could be withdrawn from the agricultural sector without reducing total productivity up to the point where the expanding modern sector would exhaust the surplus labor supply and wages would begin to rise. Informal work was not differentiated in these theories but viewed as part of a “traditional sector” that was underperforming, inefficient, and did not contribute much to economic development (Todaro and Smith 2003). The introduction of modern-sector enterprises would eliminate this underperforming traditional sector work.

The key to Lewis’ model was that labor markets in developing countries were based on differential pay for the same work and that this wage dualism was the mechanism that propelled rural farmers to move to urban areas looking for modern sector employment. Thus, rural earnings set the wage floor for urban capitalists who would have to pay significantly more to persuade rural workers to make the shift (Fields 2007a). At the

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<sup>4</sup>This premise differed considerably from another hypothesis in development at the time that posited that when more people crowded into the low-wage economy, wages decreased (Fields 2007b:30).

same time, wages were seen as constant in each sector because beyond this rural wage floor, urban industries would not have to raise wages or further incentivize the transfer of labor until all surplus rural labor had been absorbed.

Thus, to rapidly absorb rural labor into urban industry and to increase the standard of living in poor countries, extensive urban industrialization was proposed. At first, income inequality and unemployment were expected to rise as industries were forced to become more efficient by reducing bloated labor forces (Kuznets 1955). However, as industries experienced growth and increased demand for outputs, the labor demand curve in the modern sector would shift upward (to the right). Although this increased employment was seen as a positive outcome of economic growth, workers in neither sector would experience an increase in wages since there still would be surplus labor in the traditional sector. As technological development occurred and economic growth was stimulated, the traditional sector would be incorporated into the modern sector up to the point where supply met demand and wages would equalize across sectors. In other words, Lewis predicted that once this surplus labor was exhausted and urban industries needed to attract more workers, wages in both sectors would rise, thus justifying the temporary (at least in theory) situation of low wages and rising inequality while the economy “modernized” along a path of industrialization (Boas and McNeill 2004; Fields 2007a).

### **3.2.1 *Policy Implications of Modernization Theory***

Rostow and Kuznets’ theories made a large impact on American economic theory and policy. Rostow expanded his influence beyond the academy, serving as a political advisor to John F. Kennedy and later President Lyndon B. Johnson’s National Security Advisor influencing policy decisions for developing countries towards free-market poli-

cies. Rostow was rewarded for his contribution to furthering U.S. national interests with the Presidential Medal of Freedom in 1969 (McNeill 2004).<sup>5</sup>

Modernization theory was closely related to the U.S. State Department and its foreign policy at the time focused on the ideological battle against communism (Tipps 1973:200). Much of this Cold War battle was fought through “development” in the global South and relied on a development theory that took as its premise that both democracy and economic growth would come with emulation of the North’s economic trajectory. As a result, after the 1960s, development theories lost their basis in structuralist and Keynesian theory and its obvious political commitments and call for equality and/or redistribution. The freedom of the American academic institution was restricted through the witch-hunt instituted under McCarthyism such that development ideas were encouraged to fit under a specific ideological paradigm (Hoover 2003). Thus, in the U.S., dependency theory and petty-commodity-production theory did not gain the popularity they might have otherwise seen without the ideological constraint of the Cold War.

At the macro-level, the exportation of raw materials was not discontinued based on Rostow’s hypotheses. However, in order to emulate the North’s rapid industrialization process, policies of modern-sector enlargement were encouraged by the international financial institutions (Todaro and Smith 2003). Although moderate successes were seen in human development in the context of education and health, rapid industrialization had not led to a significant increase in employment opportunities for ordinary Africans

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<sup>5</sup>Walter Rostow, a staunch anti-communist, demonstrated his loyalties through the subtitle of his treatise on his Stages of Growth theory that read: “A Non-Communist Manifesto” (Rostow 1960). Simon Kuznets is often credited with bolstering Keynesianism in the 1950s and 1960s through his inverted-U hypotheses. His theory caused alarm over rising inequality, which led to a call for increased government intervention to reduce the impact on the poorest segment of the population, as we will see later in the ILO’s Redistribution With Growth (RWG) model. However, it is important to note that he did not consider himself to be a Keynesian and set out to challenge some of Keynes’ hypotheses concerning the relationship between income and savings and provided empirical analysis that would form the basis for future work by Milton Friedman of CSE (Singer et al. 1998; Todaro and Smith 2003).

by the 1980s. It was clear that the models that explained economic growth for Europe were not appropriate for Africa where the initial economic and political conditions differed significantly (Boas and McNeill 2003; Shivji 2006). Even a cursory glance at developing countries will suffice to show that there is often surplus labor and unemployment in urban areas despite the modern sector activities present, a concern also raised by Kuznets. It is also questionable whether the skills acquired through agricultural labor would transfer well into modern industrial contexts. It is more likely that the skills and business acumen of urban or rural informal workers would have higher rates of transferability.

In his model, Lewis also assumed that the rate of new employment creation in modern industries mirrored the rate of capital accumulation and re-investment. Thus, the capital earned in the modern industrial sector was reinvested into producing more labor-intensive jobs rather than invested in new labor-saving technology. Moreover, the model assumed that capital was invested back into the domestic economy rather than going into the pocket of the owner or moving to external investments (Todaro and Smith 2003). Given the level of corruption in many developing countries, including Kenya, this assumption was hard to support (Mwangi 2008; Blattman et al. 2004).

Most importantly for this work, modernization theory privileged the elite capitalist class, who was contributing to national development through industrialization, while considering “traditional sector” jobs as backward, superfluous, and nurturing of values that hindered economic development (Leys 1994:16; Bromley 2000). This modernist perspective influenced generations of urban planners and municipal officials who focused on processes of efficiency and productivity when organizing African cities. As part of the “unproductive” sector, traders were not given space in the city and treated as trespassers without legal rights to their livelihoods (Setsabi and Leduka 2008). In-

formal workers, as part of the “traditional sector” that would become obsolete under modernization theory, were viewed as external to this modernist realm of efficiency, and productivity and thus were excluded from inclusion in city plans (Cross 2000). Municipal and State officers likewise used the planned obsolescence of informal workers as a justification for their eviction and repression through often brutal means.

Despite inconsistencies within modernization theory, aspects of the theory had remarkable staying power in economic and policy circles. Fields (2001:36) argues that the “Kuznets curve was regarded as more than a central tendency; it was seen, rather, as a “law” of economic development.” It was not until the 1980s and into the 1990s that a significant body of work developed around testing Kuznets’ inverted-U hypotheses using cross-sectional and longitudinal data (Fields 1980:94; Lindert and Williamson 1985; Deninger and Squire 1998; Bruno et al. 1998; Kanbur and Lustig 1999); see also Fields 2001:35-65 for a review of this literature). Cross-sectional data revealed that middle-income countries had higher income inequality than either poor or rich countries thus seeming to support Kuznet’s hypothesis that that economic development would initially spike income inequality, which would subsequently taper off as markets and economies of scale developed. However, a dissection of the results showed that the statistical method used to reach these findings (ordinary least squares) biased the result and when fixed effects estimation was employed, the inverted-U disappeared. Moreover, longitudinal research showed that the inverted-U appeared only in a minority of cases and the pattern did not appear to be linked to the rate of economic growth or initial inequality present in the society. Due to these studies, modernization theory was trusted less and less as a grand theory of development and the door was opened to new alternative paradigms.

### 3.3 Dependency Theory and Redistribution with Growth:

#### The Interparadigm Years

As cracks in the modernization paradigm were appearing and the neo-liberal paradigm had yet to fully grab hold, the 1960s and 1970s left space open for alternative paradigms. This section will explore two such paradigms that gained some traction during the inter-paradigm years.

Critiques of modernization theory arose from the Latin American *intelligencia*, particularly in the writings of Fernando Cardoso, R. Mauro Marini, and Raul Prebisch in the 1960s and 1970s.<sup>6</sup> In general dependency theorists argued that in order to maintain their hegemony, Northern states had created structural conditions through imbalanced trade regimes and the promotion of virulent forms of capitalism that disadvantaged and indebted already vulnerable countries in the global South (Frank 1966; Leys 1994:10). Colin Leys argued that “eventually even the international ‘development community’ felt obliged to accommodate some of [dependency theory’s] perspectives: for instance, the International Labour Office’s 1972 call for ‘Redistribution With Growth’ and the World Bank’s adoption in 1973 of the principle of meeting ‘Basic Needs’ were both influenced by the (unacknowledged) impact of dependency thinking” (1994:10).

Modernization theorists predicted an initial rise in inequality in developing nations resulting from modern-sector enlargement policies. The threat of increased income inequality was a serious concern to economists at the ILO’s new World Employment Programme (WEP). Instituted by the ILO in 1969, the WEP focused on developing policies that would allow economic growth while mitigating the effects of inequality on the

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<sup>6</sup>With the exception of a few countries, dependency theory was not adopted explicitly as the basis for State policy prescriptions in Africa. However, dependency theory did serve as a philosophical and moral foundation for the populist discourse of authors such as Ngugi wa Thiong’o (who, in fact, was imprisoned for his radical literature) (Leys 1994:12).

poor. Many of the leaders and team members of the early missions under the WEP came from IDS-Sussex.<sup>7</sup> In 1971 IDS-Sussex hosted a conference on “Urban Employment in Africa,” inviting a small subset of scholars well-known for their pioneering work on informal employment.<sup>8</sup> The term “informal sector” was first used at this conference in a paper written by Keith Hart who studied workers in Nima in Accra, Ghana (Bromley 1978a).

Many of the participants from this conference went on to join the ILO Country Employment Mission to Kenya in 1972. IDS-Sussex provided early leadership to the WEP in the form of its director, economist Dudley Seers, who led the first and second employment missions to Colombia in 1970 and Sri Lanka in 1971. In 1972, the WEP’s third employment mission headed to Kenya under the leadership of Hans Singer, the former UN economist who later joined IDS-Sussex (McNeill 2004; Ghai 1999). Singer, in fact, was a key player in the rise of a new model of development eventually advocated for by the Kenya Mission.<sup>9</sup> He describes this new policy of Redistribution from Growth as stemming from the goal of achieving a

rapid increase in the incomes of the poorest, more rapid than could be achieved if one relied on growth alone. ... [Suppose that] the Kenya economy were to grow at a future rate of 6 per cent, but with the increments of growth channeled into forms of investment directed towards increasing the incomes and production of the poorest. The incomes of the poorest would rise much more rapidly - but the process of redistribution from the increment of growth would mean that one would be adding to the income and assets of the poorest without having to take away from anyone else’s income, thereby avoiding both economic disruption and political opposition (Jolly 1998:175).

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<sup>7</sup>Many dependency theorists including Manfred Bienefeld, Raphael Kaplinsky, Henry Bernstein, and Colin Leys were at IDS-Sussex at this time (Leys 1994:10).

<sup>8</sup>Participants included Colin Leys, Herb Werlin, Dudley Seers, Michael Todaro, Keith Hart, and John Weeks (O’Brien 1972).

<sup>9</sup>Despite their original pairing with capitalist development, the Singer-Prebisch theory and ISI also spurred modernization theory’s counter-movement, dependency theory. Singer remained a life-long advocate of more balanced economic policies, but he never adhered to the dependency paradigm himself (Singer et al. 1998).



Despite initial misgivings about Singer's idea, the Kenya employment mission came on board. To bolster the theory, IDS Sussex, through Dudley Seers, suggested a collaborative study between the World Bank, the WEP, and IDS Sussex. A series of working groups, conferences, and working papers on the topic occurred over the next few years, culminating in the path-breaking *Redistribution With Growth* report being released in 1973 (Jolly 1998:174; Chenery et al. 1973). Hollis Chenery, one the main architects who was then Vice President for Development Policy at the World Bank and a leader in the "patterns of development" approach, teamed up with economists from IDS-Sussex, including Richard Jolly and Dudley Seers, the latter who was heavily influenced by Keynesian economics and Kuznets's inverted-U hypothesis (Todaro and Smith 2003). Employing the cross-sectional data available at the time, Seers and Chenery found the same relationship between inequality and economic growth as Kuznets, further bolstering their call for a redistribution of assets in early stages of economic growth to offset the rising inequality (McNeill 2004).

### **3.3.1 *Policy Implications of Redistribution with Growth Theory***

Despite the enthusiasm by the Kenya Employment Mission and the ILO for redistributive policies, the U.S. State Department had a hard time supporting the proposal, in large part because of the "Marxist" sound of *redistribution* while the Cold War was still being fought in Africa and elsewhere. Walter Galenson, an ILO employee remarked,

A draft document designed to serve as the basis for discussion at the [1976 WEP] Conference was drawn up by the Office. . . . A subtle shift of emphasis away from employment and towards the fulfillment of unspecified basic needs was (also) noted. . . . The meeting [between US Officials to discuss the draft] was a heated affair, with the US participants denouncing the draft on many counts. . . . [including, that] there was Marxist language in the draft that had no place in such a document (Galenson 1981 in McNeill 2004:45).

Without support from the U.S, redistributive policies made little headway as a development agenda. The influence of the ILO was waning, especially after the World Bank pulled its support and focused its attention on more market-friendly approaches that reduced ISI policies. Shortly thereafter, the World Bank issued a new report on Kenya, *Kenya: Into the Second Decade*, which ignored the RWG ideas in favor of “increasing efficiency through factor price changes and the direction of resources into sectors with high returns on investment” (Leys 1979:315). The reliance on financialization and liberalization became even stronger as the first loan based on structural adjustment entered the global market in the 1980s.

### **3.4 Neoclassical Economic Theory**

Building on the strength of previous development paradigms, neoclassical economic theory incorporated elements of modernization theory. In particular, it maintained the central principle that economic growth was a precursor to national development, replacing only the mechanism of “industrialization” with “liberalization.” Much of the conceptualization of labor markets also remained dualistic, building on the concept of complementary sectors that were assumed to provide trickle-down benefits. These two tenets became the centerpiece of neoclassical development strategies in the 1980s and 1990s (Fields 2007b). However, neoclassical economic theory differed significantly from modernization theory in its approach to informal workers; previously informal workers had been seen as espousing traditional values contrary to modernization. In contrast, neo-classical theory treated workers as entrepreneurs who had the right drive and values but who lacked the resources (financial, training, etc.) to significantly contribute to national development (Leys 1994).

Neoclassical free-market theory got its start in the late 1940s. At this time, proponents of laissez-faire economics and monetarism assembled at the University of Chicago Law School under the Free Market Project. Under the organization of Milton Friedman and Friedrich Hayek, this close-knit group of like-minded and influential scholars, several of whom eventually won the Nobel Prize in Economics, became known as the Chicago School of Economics (CSE) (Hoover 2003; Mitchell 2006). Formulating theories around the desirability of a free and unhindered market, scholars from several departments at Chicago rejected classical Keynesianism and developed a modern take on monetarism (Rayack 1987).

Through the CSE, the closely-affiliated Mont Pelerin Society (based in Switzerland, where the group would meet every year), and conservative think-tanks that pushed proposals for legislation, neoclassical economics became the dominant paradigm for international economic development as expressed by the “Washington Consensus” (Slim 1995). In developing countries the neoclassical influence took the form of Structural Adjustment Policies (SAPs) that encouraged the privatization of state-run firms, devaluation of the currency, export expansion, increased foreign direct investment, removal of trade barriers and tariffs, reduction of regulations on commerce, and incentives for production through international competition (i.e., anti-protectionism) (The World Bank 1997; IMF 1996; Slim 1995; Todaro and Smith 2003).

Although CSE economists were not specifically concerned with labor markets in developing countries, they were concerned with influencing the economic and political development of other countries. Mitchell (2006:12) describes the process of international disbursement of neoliberal policies as follows:

By [1979] what had begun as a fringe right-wing intellectual current had become the most powerful political orthodoxy in the West. The neoliberal movement was now trying to extend its network to other parts of the world.

In 1981, a close collaborator of Hayek, Antony Fisher, established the Atlas Foundation for Economic Research. Its goals was to coordinate activities and corporate funding among the network of European and American think tanks and to extend it by developing and financing a group of neoliberal organizations outside Western Europe and the United States.

The first organization the Atlas Foundation helped form and fund was the Institute for Liberty and Democracy (ILD) run by the Peruvian economist Hernando de Soto. De Soto was something of a goldmine for the neoliberal movement. Heralded as an intellectual from the third world who decried dependency theory (and ignoring his privileged upbringing and work life in international organizations in Geneva), de Soto added to the credibility of the global expansion of neoliberalism. Andrew Natsios, the Administrator of the USAID, commented that, “Since [de Soto] is Peruvian, he can make this argument credibly” (Mitchell 2006:14). And in this way, he became a puppet Northern institutions advocating for neoliberal reform, which used him at every instance to bolster their legitimacy.

Even the title of de Soto’s most popular book, *The Other Path, The Economic Answer to Terrorism*, was ideological and highlighted a more general rejection of dependency theory and RWG. Dependency theory was criticized in the U.S. mainly for its Marxist base and orientation. Dependency theorists tended to “assume the availability of some unspecified alternative development path, . . . which was not — in the absence of stronger and more mobilized social forces at the periphery, and more sympathetic support from abroad — readily available” (Leys 1994:11). The title *The Other Path* addressed *dependencistas*, suggesting that their “alternative path” to development lay in neoliberal reform, not in state-led development. The title also addressed followers of “the Shining Path,” a militant organization that sought to organize local movements for land reform and redistribution, outlining a non-revolutionary “other path” to economic development through neoliberal reform.

Under the Reagan administration, the Center for International Private Enterprise (CIPE) was founded to fund neoliberal organizations in the developing world. Similar to the Atlas Foundation, CIPE's first grant, accompanied by a guidebook on neoliberal tactics, went to de Soto at the ILD. With all this financial and organizational support, the ILD began to get involved in writing legislation and training new politicians. Mitchell (2006:15) quotes an ILD alum, now at the World Bank, claiming the ILD became "a kind of school for the country. Most of the important ministers, lawyers, journalists, and economists in Peru are ILD alumni." Perhaps as an omen for other countries, neoliberalism had seamlessly integrated into Peruvian politics.

To develop popular support for neoliberalism, de Soto and the ILD focused on solving the highly-visible informal housing problem instead of the highly-politicized issue of property rights (Mitchell 2006). Contrary to previous understandings of informal activities, the informal economy was portrayed by de Soto as filled with dynamic entrepreneurs who were highly organized and operated their community through a system of well-coordinated "extra-legal norms" in the absence of governmental support (de Soto 1989:13). Informal businesses were far from criminal, marginal, and unorganized activities. Instead, de Soto blamed the state for its overwhelming bureaucracy that limited small-business registration and licensing, implicitly forcing many hard-working and well-meaning people to seek illegal ways to survive. In the lacunae of legal ways to establish a business and make a living, the informal economy sprung up as "the people's spontaneous and creative response to the state's incapacity to satisfy the basic needs of the impoverished masses" (de Soto 1989:xiv).

To allow informal entrepreneurs to reach their full potential and become an "engine of development," de Soto argued that the state needed to be reformed, not by making it more equal and redistributive as the ILO had argued with RWG policies, but by opening

it to liberal free-market forces that would simplify and decentralize government bureaucracy. De Soto (1989) proposed to reduce the size and influence of the state apparatus by emulating the policies of deregulation, debureaucratization, and privatization that ushered in an era of unprecedented economic growth in Europe without a violent “proletariat” revolution. This theory directly refuted Keynesian economics by suggesting that government involvement limited entrepreneurship and that small-businesses function best on their own given an unrestrictive economic climate.

### **3.4.1 *Policy Implications of the Neoclassical Free-Market Theory***

The classical liberalism of CSE dominated U.S. domestic and international policy prescription from the late 1970s onward. Economists Michael Todaro and Stephen Smith offer the following explanation for the expansion of neoclassical free-market theory into developing countries,

Neoclassicists obtained controlling votes on the boards of the world’s two most powerful international financial agencies — the World Bank and the International Monetary Fund. In conjunction and with the simultaneous erosion of the influence of organizations such as the International Labor Organization (ILO), the United Nations Development Program (UNDP), and the United Nations Conference on Trade and Development (UNCTAD), which more fully represent the views of LDC delegates, it was inevitable that the neoconservative, free-market challenge to the interventionist arguments of dependence theorists would gather momentum (2003:18).

By the 1980s, the power of states had been dwarfed by the dominance of multinational corporations and international capital. Under the regime of capital liberalization, international capital interests dominated local capital interests. Supported by conditions attached to IMF/World Bank loans, governments found themselves implementing policies that supported economic policies favored by international capital. With few

restraints on the international movement of capital, states no longer had control over their national development process, nor was this arrangement encouraged. Neo-liberals rejected the previous theories on what was restricting development and suggested that the problem lie in thinking the state could bring about development. As the World Bank put it, “effective” government is a “scarce resource” that should be used “sparingly” (Leys 1994:22). In a sharp break from the past, neo-liberals were not afraid to criticize the governments of the global South for being self-serving and uninterested in the long-term development of their country and especially for instituting policies that restricted the self-correcting nature and equilibrium of the market. After the oil crises of the 1970s and the fall in world commodity prices, poor nations were forced to turn to the IMF and World Bank for help. In no uncertain terms did the World Bank express its preference for the limited involvement of the state in the economic affairs of the global South, attaching to loans conditions that guaranteed the liberalization of markets.

De Soto’s focus on dynamic entrepreneurs who needed little but the removal of government regulations fit well with the existing trajectory of development discourse in the 1980s and 1990s. Self-help policies were consistent with the neoclassical agenda coming out of the North and were in direct contradiction of Keynesian and dependency theories that encouraged government intervention and redistributive policies to target the exploitative conditions that gave rise to global inequality.

De Soto (1989:191) argued that given the degree of corruption and lack of transparency in contemporary governments, redistributive policies would simply serve to “redistribute” goods and capital back into the pockets of the government or those of their allies. In contrast to dependency theory, de Soto’s conceptualization of informal labor markets was highly appealing to Northern nations. Indeed, De Soto’s rhetoric of “freedom” that workers would obtain through liberalization harkens back to Fried-

man and Hayek's argument that a free-market was fundamental for achieving political freedom. Much has been written about the appropriation of liberal development language such as participation, empowerment, freedom, and autonomy by the neo-liberal paradigm and this fight over terminology continues in the realm of informal work (see Gore 2000; Taylor 1997; Mitchell 2002; Boas and McNeill 2004).

With the evidence of the positive effect free-market policies could have for poverty-reduction, development banks, government aid agencies, and multilateral institutions could openly pursue privatization, deregulation, and debureaucratization - policies that also heavily benefited Northern economic interests and multinational corporations - claiming mutuality and a commitment to reducing poverty. Privatization, already at the core of the neoliberal paradigm, became a means not just for economic growth but also for poverty-reduction, thereby providing dual-pronged support for the ideological war against anything resembling communism.

De Soto did not limit his call for privatization to large industries as previous theorists had done. Instead, he advocated for the privatization of property at the micro-level to turn "dead capital" into tradable assets for the urban poor that could be used as collateral for business loans. Land tenure would give small-business owners assurance that their business would not be arbitrarily destroyed, allowing them to reinvest newly liberalized credit into their enterprise. Small-businesses would flourish becoming de facto formal industries that would carry Peru (and other developing countries) into the modern age (de Soto 1989).

Neo-liberal free market theory remains the dominant discourse in today's globalized world. Although structural adjustment policies and the Washington Consensus in general are widely viewed as having disastrous effects on low-income nations, similar market-friendly reforms are still encouraged by multilaterals today in what Har-



vey (2004) terms the “new imperialism” characterized by “accumulation by dispossession.” Increasingly, this agenda includes support for the financialization of the world’s poor, spurred on by highly publicized successful examples such as the Grameen Bank in Bangladesh.

### **3.5 Conclusion**

By reviewing key labor market models rooted in competing orthodox macroeconomic theories of the era, this chapter revealed how these models have in turn paved the way for multilateral agencies to define economic activities. Heterodox theories such as dependency theory have also contributed to the debate over defining informal work, but the multilateral agencies influencing institutional and state policy have been reticent to engage with such discourse because of its connection to Marxism.

Using Foucault’s discussion of the relationship between power and knowledge via the mechanism of normalization, the role of key multilateral organizations in popularizing and disseminating dominant discourse about informal work through their more general paradigm for economic development was also introduced in this chapter. In particular, the close relationships between IDS-Sussex and the ILO and among the CSE, U.S. State Department, World Bank, and IMF were identified, creating a powerful base of legitimacy. The next chapters extend this analysis to explore the relationship between the production of knowledge in multilaterals and the dominant discourses of the State.

## CHAPTER 4

### **THE RELATIONSHIP BETWEEN MULTILATERAL AND STATE POLICY INTERVENTIONS**

When applying Foucault's concept of power to the multilateral system with more diffuse relations of power, we have seen that power is exercised through the production of knowledge in the form of consultants from academic institutions and a system of "experts" that build a discourse of development. This discourse influences the "juridical" or in the case of multilaterals, the guidelines for policy, interventions, and loan structures. These applications reinforce and redefine discourses of truth and ultimately legitimate the relations of power (Foucault 1977:94).

This chapter traces the relationship between the development paradigms discussed in Chapter 3 (expressed either directly through the colonial state or in later eras through multilateral institutions) and the implementation of key policies concerning informal work in by the Kenyan government. This analysis will help us grasp how these discourses have become accepted as the norm outside the environment in which they were created through the "juridical" influence of the multilateral. Moreover, this chapter introduces the discussion of Gramsci's mechanisms of consent and coercion to create and maintain power, especially over the means of production.

#### **4.1 Colonial Policies Regarding Trade**

Between the 1890s, when Kenya became a Protectorate, and 1963, when it gained independence, Kenya was ruled by the British crown. Like most colonized countries in Africa, Kenya's economy was tied to the colonial economy and focused on exporting raw materials and goods manufactured in foreign-owned factories. The majority of

physical labor fell on the shoulders of Africans who were forced into capital production through tax laws. In comparison, little emphasis was placed on developing indigenous industry within the country of origin to turn raw materials into value-added manufactured goods that could be exported at a higher price (Shivji 2006).

In order to provide cheap labor for the European-owned factories, the colonial administration adopted policies that encouraged the pricing of basic commodities to remain at low levels in order to support the African workforce. Thus, the government allowed food and sundries traders from rural areas to sell goods for local, primarily African, consumption within Nairobi without licenses. As time went on, the administration became more concerned with maintaining control over its increasingly rowdy African populace and instituted policies of coercion and consent. Such policies are discussed in detail in the following chapter but suffice it to say, harassment and expulsion towards hawkers and itinerant traders significantly increased in the 1940s and 1950s.

## **4.2 Trade Policies After Independence**

The drive for Independence caught the British by surprise. In 1962 they instituted a rapid Africanization of local government in Nairobi in preparation for the imminent transfer of power. Newly empowered African leaders had little time to construct a vision for the direction of the newly independent State. Despite calls for African Socialism and Africanization in Sessional Paper No. 10 of 1965, the change from colonial to post-colonial represented little more than a power shift from British to African elites and Kenya remained one of the most capitalist countries in Africa. Leys (1979) argued that activities like trade helped this nascent class accumulate large profits prior to independence, which ultimately translated into political power upon independence.

It was this class which formed and led the modern nationalist movement, and moved into the hegemonic position in the “power bloc” (the group of classes whose power was reflected in and served by the state) when independence was achieved in December 1963. With this transition, the indigenous bourgeoisie greatly accelerated the move which it had begun already during the colonial period . . . out of the sphere of circulation and into both agricultural and manufacturing production, greatly expanding its numbers and the scale of its collective capital (Leys 1979:302).

After independence, there was a close relationship between the power bestowed by the state apparatus and the process of indigenous capital accumulation through the manufacturing sector (Muller 1981; Swainson 1978). In addition to already being in a position of controlling the means of production, the new elite class comprising the independence government inherited the power structure and laws established by the colonists and whether by lack of experience or by a desire to maintain class power, left many colonial artifices in place that cemented their dominant position in the class hierarchy (Macharia 1993).

The case of the Nairobi municipal by-laws can be used to illustrate one such colonial artifice. As the colonial infrastructure came crashing down, the municipal by-laws concerning urban trade, created under the colonial administration, were invalidated by the court in 1962. However no new ones were created so in 1963 the newly independent government of the Republic of Kenya simply reinstated the colonial by-laws. These by-laws have yet to be substantially revised despite their irrelevancy to modern issues facing traders, hawkers, and urban dwellers in general (Macharia 1993; Gichira 1991; Mitullah 2003a).

### 4.2.1 *Africanization*

The newly formed Kenyan government quickly adopted import-substitution policies recommended by the World Bank and IMF. They paired these policies with an Africanization of industry in order “to hoist Kenyan Africans directly into mainstream commerce and industry” (Government of Kenya 1964:41 in Himbara 1989:219). The Trade Licensing Act of 1967 institutionalized these policies, allowing the government at any time to remove a non-Kenyan manager and replace him with a Kenyan and restricted trade by non-citizens to major urban areas and uncommon commercial goods. This deeply affected non-Kenyan Asians who were engaged in rural trade since pre-Independence. However Asian and European industries were protected by the Foreign Investment Protection Act and other attractive offers that encouraged foreign-owned industries to remain in Kenya. As a result, the majority of large firms were still owned by non-resident Europeans and Asians (Leys 1979:299-300).

In the late 1960s, the newly independent government encouraged the growth of large and medium-sized firms through parastatals while balking at the opportunity to empower small firms. Ownership of the following enterprises gave the government the ability to encourage import substitution and growth of local industry at the upper-class level. Only one program, the Joint Loan Boards, was targeted towards traders.

- **Industrial and Commercial Development Corporation (ICDC)** was the post-colonial spin-off of the colonial IDC<sup>1</sup> to promote commercial and industrial development through financial assistance to purchase machinery and equipment. One of its subsidiaries, Kenya Industrial Estates (KIE), was charged with promoting, financing, and administering Small-Scale Enterprises (SSEs) by erecting sheds, promoting import substitution industrialization, and clustering businesses (Ikiara 1990; Himbara 1989).

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<sup>1</sup>The Industrial Development Council was established in 1954 under Ordinance No 63 to, “facilitate the industrial and economic development of the colony by initiating, assisting or expanding industrial, commercial and other undertakings in the colony” (Swainson 1978:121).

- **Industrial Development Bank (IDB)** was owned by the government but used the World Bank as the main line of credit to provide training and access to funds for African entrepreneurs to "purchase existing firms, acquire shares in them, or found new ones" (Himbara 1989:224). This bank only served medium and large-scale industries desiring medium and long-term loans of at least Ksh. 400,000 (Ikiara 1990).
- **Kenya National Trading Corporation (KNTC)** was set up to coordinate fair terms of trade between African enterprises and foreign companies. It ended up creating monopolies that were inefficient, unprofitable, and which could not compete with other businesses (Himbara 1989).
- **National Construction Corporation** promoted African construction workers and contractors, but it founded only one construction company that operated briefly (Himbara 1989).
- **Joint Loan Boards** funded and promoted African traders but poor management, corrupt accounting, fictitious loan granting, and client defaults led to their demise (Himbara 1989).

The Africanization approach was not extended to small retailers and traders, who were ignored in favor of vaulting Africans into larger industries. Under modernization theory, indigenous cultural practices, such as reciprocity and tight social networks, were constructed as backward and deleterious to progress and development (Leys 1994; Cross 2000). Instead, modern sector enlargement was encouraged, which meshed well with the post-colonial government's policies to Africanize medium enterprises while still allowing for foreign ownership of larger firms. As a result, hawker harassment, arrests, and deportation increased, eventually outgrowing the persecution seen under the colonial administration. Although pass laws had ended with the new administration, calls for movement controls on hawkers had resurfaced in NCC committees.

A populist movement developed in the mid 1960s against the exclusionary policies of the new Kenya African National Union (KANU) government. The Kenya Peoples' Union (KPU), which represented the demands of the bottom 40 percent of the income distribution who only contributed 11 percent of GDP, and other unions, initiated strikes in several industries in the mid and late 1960s. The government responded with tactics

of repression and coercion. It passed the Trade Disputes Act in 1965 to prohibit strikes in key industries, banned the KPU in 1969, arrested leaders of other unions, and heavily encouraged collective bargaining over strikes. The government also offered leadership positions in parastatal offices to ex-KPU officers and provided state civil service positions to unemployed school-leavers who had supported the KPU. These methods of repression and co-optation effectively subdued the populist movement for the moment, although strikes and popular unrest matched by government co-optation and repression reappeared in the 1970s (Coughlin and Ikiara 1988; Leys 1979).

#### ***4.2.2 Adoption of a New Understanding of Informal Work***

In 1969 the ILO began its World Employment Programme, which had near worldwide influence on employment research and the development of policy (Bromley 1978a). The WEP's third country mission produced a ground-breaking report on the working poor in Kenya. Contradicting the prevailing development paradigm of modernization theory that asserted the informal sector would eventually be phased out as a country modernized, the ILO Kenya Report, rooted in the Redistribution with Growth paradigm, emphasized the productivity of the sector (Feldman and Ferretti 1998:vii). This new conceptualization of informality was quickly inducted into Kenyan policy as Bromley (1978a) explains:

Within a year [of the IDS-Sussex Conference] the concept ["informal economy] was incorporated in substantially revised form into the ILO Report on Kenya and shortly afterwards the Report was debated in the Kenya Parliament, carrying the informal sector into the political arena. From then on, the informal sector was incorporated into the conceptual underpinnings of much of the urban research in the ILO's World Employment Programme, and subsequently into the urban research programmes of other international organizations. Thus, a whole stream of related research and close cross-referencing came into being and an international academic and policy-pre-

scribing network grew up around the concept and its application (Bromley 1978a:1036).

The 1972 ILO Kenya Report was widely influential on Kenyan policy, and not only because it defined a phenomenon that had troubled the colonial and post-colonial governments for decades. In the face of failing large-scale industries and a world recession, Kenya borrowed Ksh 24 million in 1974, Ksh 19 million in 1975 and Ksh 8 million in 1976 from the IMF (Leys 1979:311). The recession reversed economic growth in Kenya and the loans further restricted government spending, forcing the government to look for low-cost solutions to national development that favored “self-help” policies. At the same time, popular unrest was brewing and the KANU government was looking for ways to retain its power. Under J.M. Kariuki, the KPU was transformed into an opposition political movement that sought to mobilize “a political alliance of the rural landless, poor and middle peasants, and urban unemployed and workers” (Leys 1979:304). The government responded both with violence and concessions. Kariuki was murdered (likely by state police) other prominent parliamentary critics were detained, the radical novelist Ngugi Wa Thiong’o was jailed, and demonstrations by University students were disrupted violently by the police (Leys 1979).

On the other hand, the government offered concessions to small-manufacturers and the formal workers by requiring all Asians to transfer their trading businesses to Africans, extending ICDC loans, including workshops under the localization program, and raising the minimum wages (Leys 1979:304). Moreover, the ILO’s new-found confidence in the informal sector was attractive to the struggle government because it offered concrete ways to placate this segment of the population and to harness the workers’ “natural” entrepreneurship to help bring about national development through cost-reduction in terms of imports, exports, and local development. Colin Leys quipped that “From being the Cinderella of underdevelopment the ‘informal sector’ could thus become a major



source of future growth” (Moser 1994:15 in Rakowski 1994). This new social and spatial category was objectified as the means to national development and maintaining elite social position.

### **4.2.3 *Preferential Treatment of Small Manufacturing***

The 1972 Report also hailed the informal sector as an efficient way to redistribute resources that were trapped in the formal sector controlled by the upper class.<sup>2</sup> To get the full benefit out of the redistributory potential, reforms such as developing backward linkages with the informal sector and subcontracting needed to be made. However, for these linkages to be efficient and profitable, training needed be provided to small manufacturers with existing industries (House 1984).

Emulating the bias of the Report, research and policy in the decades after the release of the Report focused nearly exclusively on small manufacturing enterprises, excluding other sectors of informal work such as hawkers and vegetables sellers (see Aryee 1977; Ikiara 1990; Livingstone 1991; House 1984; Macharia 1993; King 1996; Manda 2004; Bigsten et al. 2004; Akoten et al. 2006).<sup>3</sup> The World Bank further supported suggestions to develop small enterprises, as evidenced by policy papers such as *Employment and Development of Small Enterprises* released in 1978 (McNeill 2004).

President Moi came to power in 1978 after Kenyatta’s death and quickly instituted policies based on ILO recommendations to 1) focus less on the Africanization of medium and large-scale industries and encourage the growth of small enterprises;

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<sup>2</sup>For a review of the ILO’s Redistribution with Growth development paradigm and how it differs from the modern-sector enlargement perspective of modernization theory, see Chapter 3.

<sup>3</sup>This also contributed to the gendering of informal work in that small manufacturers were nearly exclusively men while most women working informally were hawkers and produce traders (Robertson 1997b).

and 2) improve the public image of informal workers to reduce harassment and increase productivity.<sup>4</sup>

The state, responding to ILO Report recommendations, chose to privilege [small manufacturers] as recipients of permanent workspace. The Kenyan Development Plan for 1979 to 1983 included provisions for building space, investment advice, loans, extension services, marketing facilities, and preferential treatment in governmental purchasing programs. The 1982-83 Report on Unemployment stated that manufacturers only formed 14.8% of informal sector workers in 1977 and 16.4% in 1982, compared to the over 70% in trade, but recommended that the former be given training at village polytechnical schools (Kenya Report on Unemployment 1982/83:27, 212–216, 259 in Robertson 1997b:264).

President Moi continued his support for such policies by encouraging the government and modern sector industries to subcontract work from the informal sector (King 1996:13). With the primary goal of institutionalizing aid to small manufacturers through a government office, he established the Small-Scale Enterprises Unit within the Ministry of National Planning and Development in 1987 (King 1996). In 1984, Kenya Industrial Estates (KIE), a government parastatal, was restructured to reduce its average loan amount to make it more conducive to supporting small-scale enterprises. KIE clearly favored the small manufacturing sector, reporting in 1987 that 82 percent of loans went to small manufacturing industries and 15 percent to the service sector (Ikiara 1990).

#### **4.2.4 *Reduction of the “Pejorative View” of Informals***

The 1972 ILO Report expressed concern over the recent increase in harassment of informal workers, tracing the incidents of violence back to a “pejorative view” of the sector

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<sup>4</sup>In many ways, this was reminiscent of the 1941 Stirton report that called for the colonial government to stop supporting businesses that needed large capital inputs and to focus again on the small businesses that could feed the local market demands and had the potential to eventually progress into the formal sector (Himbara 1989).

(ILO 1972). The ILO report redefined the nature of informal workers, posing them not as marginal but instead as productive, dynamic, economically efficient, and capable of generating employment. By emphasizing these positive contributions, the Report hoped to improve the government's perspective on informal work thereby reducing harassment.<sup>5</sup> This aspect of the Report was quickly adopted by the Kenyan government and multilaterals, (in part because it certainly is much easier to change language and hope that that will make the needed change then to implement programs) and almost immediately, informal workers were portrayed much more positively in official literature.

Shortly after coming to office, President Moi implemented the ILO's recommendations regarding positive attitudes toward the informal sector. One of his first changes was to reverse the popular derisive understanding of informals, particularly small-scale manufacturers. Moi facilitated this shift encouraging the growth of discourse framing the *jua kali* as hard-working, skilled small-manufacturers that would bring the country into the modern era.<sup>6</sup> The President further legitimated this group by naming the shelters his administration built to provide workers with shade, *Nyayo* Sheds. The use of the

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<sup>5</sup>Bromley critiques this approach suggesting that it was naive at best and purposefully disingenuous at worst to propose that "government support and recognition will automatically convert informal enterprises into formal enterprises, as they will no longer possess the defining characteristics based on the absence of government support and recognition. This approach may also combine with a simplistic 'target group' view of the informal sector, which assumes that the only obstacle to growth and prosperity for informal sector enterprises is the negative attitude of government towards the sector. In this view, government support is a virtual guarantee of success. This neglects the complex competitive and subordinate relationships of small enterprises with larger enterprises, and the wide range of strategies available to monopoly capitalism to suppress the competition of small enterprises (particularly through differential pricing and 'media pressure' on consumers), or to harness those enterprises to the service of big-business" (1978a:1035).

<sup>6</sup>*Jua kali*, literally translated as "hot sun," was first used in 1985 to refer to those who labored in the scorching heat without shade, particularly metal-work artisans, carpenters, machine-makers and other small manufacturing enterprises that already produced a significant amount of heat. Moi used the term to define a positive normative and economic category, paralleling the introduction of the term micro-entrepreneurs in Egypt to represent a "new category" of workers that would carry the country forward into modernity (Elyachar 2005). Moi played a significant role in redefining small-scale manufacturers, and as Ikiara et al. point out, Moi gradually consolidated power to the point that there was "little autonomy for ministers, permanent secretaries and other organs of the government to make decisions without approval from the Office of the President.... The erosion of parliamentary power and the enhancement of the executive and the presidency have had serious implications on policy formation and implementation in Kenya" (2004:220).

president' nickname lent a sense of favoritism, credibility and familiarity to *jua kali*. The Sessional Paper No. 1 of 1986 on *Economic Management for Renewed Growth* marked another turning point for small manufacturers in Kenya (Republic of Kenya 1986). It provided the first formal government recognition of *jua kali* using positive rhetoric and posed informals as “one of the hopes the country has in terms of economic development as they enter the 21st century” (Macharia 1993:35).

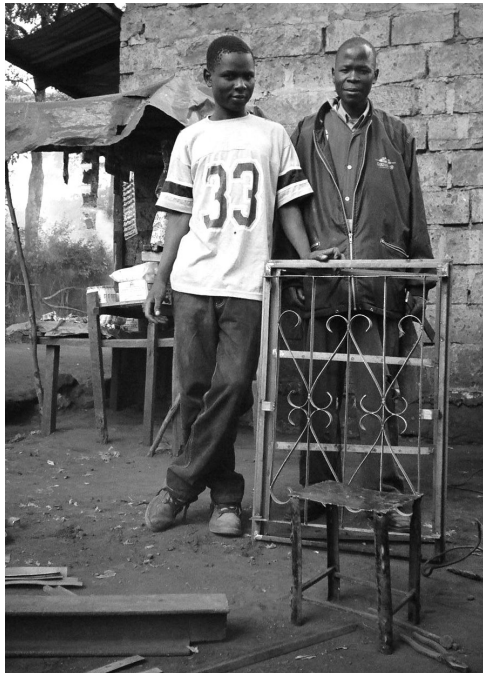


Figure 4.1: *Jua Kali* Artisans

Building on the popularity whipped up by Moi for *jua kali*, the Minister of Industry announced a new program entitled Jua Kali Development Programme, stating “Kenyans should learn to respect the informal sector popularly known as ‘Jua Kali’ businesses because even the biggest things have to start small” (The Standard, October 19, 1987 in Macharia 1993:31; Standard, 28 May 1988 in King 1996:27–28). This officially cemented the replacement of the term “informal sector” with “*jua kali*” in Kenyan policy. NGOs, foreign governments, and multilaterals jumped on board sending millions of

shillings to help *jua kali* programming and confirming the “natural” bifurcation of the sector into productive and unproductive elements (King 1996:20, 26, 29; UN-HABITAT 2006:106; Riley and Steel 2000).

Moi also adhered to the ILO’s suggestions to reduce stigmatization by implementing education reform to increase the acceptance of small manufacturing as a legitimate career path. The government added new subject areas that focused on developing the student’s appreciation of arts and crafts and business education. Positive perceptions of *jua kali* artisans and legitimizations of their work were scattered throughout various subject areas in order to subtly influence society to accept this new social class. The inclusion of informality in the national educational curriculum signified the government’s support of the ILO perspective that informal work was a legitimate form of employment that contributed to national development (King 1996:164).

Finally, Moi provided physical support to this new class of entrepreneurs by encouraging the development of a market for training small enterprises. In the beginning, the government provided vouchers to help link entrepreneurs with training facilities, but with the fiscal reforms instituted by the World Bank and IMF’s SAPs, the government was advised to withdraw its financial support from the training programs in hopes of developing a self-sufficient private sector market for training. In 1988, President Moi formed the Jua Kali Development Programme within the Ministry of Technical Training and Applied Technology (MTTAT). This program sought to further legitimate small manufacturing via a Jua Kali Artisan Identification card (Republic of Kenya 1992).

The Kenyan government received praise in an ILO-World Bank report for its adoption of policies stemming from the ILO Report suggestions:

To its credit, Kenya, unlike most developing countries, has in official development policies recognized informal enterprise as more than a residual

employer for the survival of poor households. In its Sessional Paper Number 2 of 1992 on Small Enterprise and Jua Kali Development in Kenya, the government identifies the small-scale and *jua kali* enterprise sector for support to assist it to "graduate into the formal sector" and to become a major player in the creation of new jobs and economic growth (Riley and Steel 2000:1; Republic of Kenya 1992).

Although the Kenyan Government made little progress on some of the more radical policies suggestions in the ILO Report, they had invested significant energy into creating a better operating environment for small-scale manufacturers. Traders, hawkers and the lower strata of the informal workers benefitted little from these policies and the government continued its policies of arbitrarily harassing and destroying the property of traders. It was evident that the government sought to reduce the potential political power of informal workers by limiting the development of a collective identity between the lowest and highest strata (Leys 1979:317). As we will see in later chapters, the motivation to enact such significant changes was little more than a seizing of an opportunity to act upon the interests of the State.

### **4.3 Multinational Policy and Jua Kali Development Under the Neo-liberal Agenda**

In accordance with modernization theory, international policy of the 1960s and 1970s emphasized urban modern sector development. The ILO nuanced policy direction for a brief stint in the 1970s, advocating for the development of proto-industrialists alongside industrialization through their RWG agenda. Other multinationals followed this paradigm change, including the World Bank, which loaned 1.97 billion USD to 63 programs with the expressed purpose to develop small and medium enterprises (SMEs)

between 1977 and 1985. Further driving this urban bias, the IBRD and ILO commissioned research on fixing urban labor markets, producing influential reports such as, *The Task Ahead for the Cities of the Developing Countries* (McNeill 2004).

A disastrous constellation of events occurred in the early 1970s that led to the rejection of import substitution and RWG policies, and ultimately resulted in the demise of the ILOs WEP (McNeill 2004). The oil shocks of the 1970s, the dramatic fall in the world price of raw exports and the tremendous spending binge by the Kenya Government led to a bulging national debt. With the collapse of the economy between 1980 and 1990 including a budget deficit at ten percent of GDP, the account deficit at 11 percent of GDP, inflation at 100 percent, and unemployment rates hovering between 35 to 40 percent, Kenyan purchasing power was reduced severely, leading to the closure of many domestic industries by the 1990s (Malick 2004; Kenya Human Rights Commission 2004:12).

Bryceson and Potts (2005:44) explain the severity of the crisis for ordinary Kenyans:

Urban dwellers were plunged into an economic vortex of declining purchasing power and economic insecurity. Inflation caused the price of basic goods to soar beyond the reach of urban consumers earning fixed wages and salaries. Cutbacks led to job redundancies for many, whereas others chose to leave their jobs to redress the dwindling purchasing power of their wages.

During the ensuing period of structural adjustments, poor and moderately wealthy Kenyans experienced significant hardships.

#### **4.3.1 *Structural Adjustment***

The World Bank and IMF offered stabilization packages to the Kenyan government in the form of a Structural Adjustment Program (SAP) in 1980, which was retooled in

1993. The SAPs furthered the neo-liberal agenda of market-friendly economic reforms that reduced import-substitution industrialization policies, deregulated licensing, removed protections and subsidies from small businesses, and forced domestic industries to compete with heavily subsidized, well-established Northern agribusinesses (Davis 2006:153). By the mid 1980s, it was clear that Singer's RWG plan for economic development that paired modern sector enlargement with protections for small-enterprises was officially dead.

The IMF and World Bank made the relaxation of labor standards and the increased fluidity of the labor market conditionalities of aid. In 1994, the Kenyan Government indicated their willingness to proceed with such measures by amending portions of the Employment Act to exclude union involvement in the Export Processing Zone (EPZ), repeal minimum wage laws, and increase the employers' power to hire and fire without paying benefits. Moreover, the government introduced outward-oriented industrial policy measures such as a zero import duty on industrial intermediate inputs. These amendments not only increased the informalization of formal labor, it *informalized informal labor* while trying to formalize it. Under the ILO 1972 recommendations and the Sessional Paper of 1986, subcontracting links were posed as secure and prosperous for small-manufacturers, in order to help develop the sector. Under SAPs sub-contracting opportunities were only available when companies in the EPZ received an order larger than they could fill in the requisite time. Informals had to bid on the contracts in a race to the bottom; ultimately, this has led to the current weakened state of backward linkages in Kenya (Kenya Human Rights Commission 2004).

SAPs simultaneously reduced the provision of public goods by targeting government spending through privatization. The devaluation of currency, causing the prices of goods sold on the domestic market (i.e. those made by informal workers) to fall substantially,



paired with the loss of social safety nets created severe difficulties for ordinary Kenyans. In addition, the limitations placed on government spending by the SAPs (through the wage bill, cuts in civil service, removal of subsidies, and the elimination of price controls), reduced demand for domestic goods even further and severed recently encouraged backward linkages between the government and the informal sector (Manundu 1997).

Since many workers had been retrenched or faced declining wages, the subsequent curtailing of human capital investment, including universal primary education and subsidization of technical training, was especially painful. Most households could not sustain the rising costs of education, health care, water, housing, transport, sanitation on top of the loss of their incomes, and a concomitant rise in informal housing, employment, utility services, and transportation occurred during this period (Davis 2006; Bryceson and Potts 2005:56–57; Manundu 1997; Osirim 1996:213). This rapid informalization of services and labor was treated by the World Bank as an example of how citizens could meet their own needs once the bonds of dependency on government services was broken (Mayer 2003).

With the implementation of the SAPs, the World Bank began to take an increasingly important role in developing policy concerning informal work, especially in the small-manufacturing sector. They were able to exert a powerful influence over the nation-state by “framing” discourses according to their agenda. The World Bank appropriated the notion of social capital to explain how the social reciprocity of poor communities would sustain them despite the elimination of a significant number of social services under the SAPs (Pickvance 2003; Mayer 2003). This ability to control state policy depended on the legitimacy derived in part from models developed in highly respected academies and in part from the reputation of the World Bank for technocratic solutions. In Kenya, policy documents offered recommendations reminiscent of those proposed

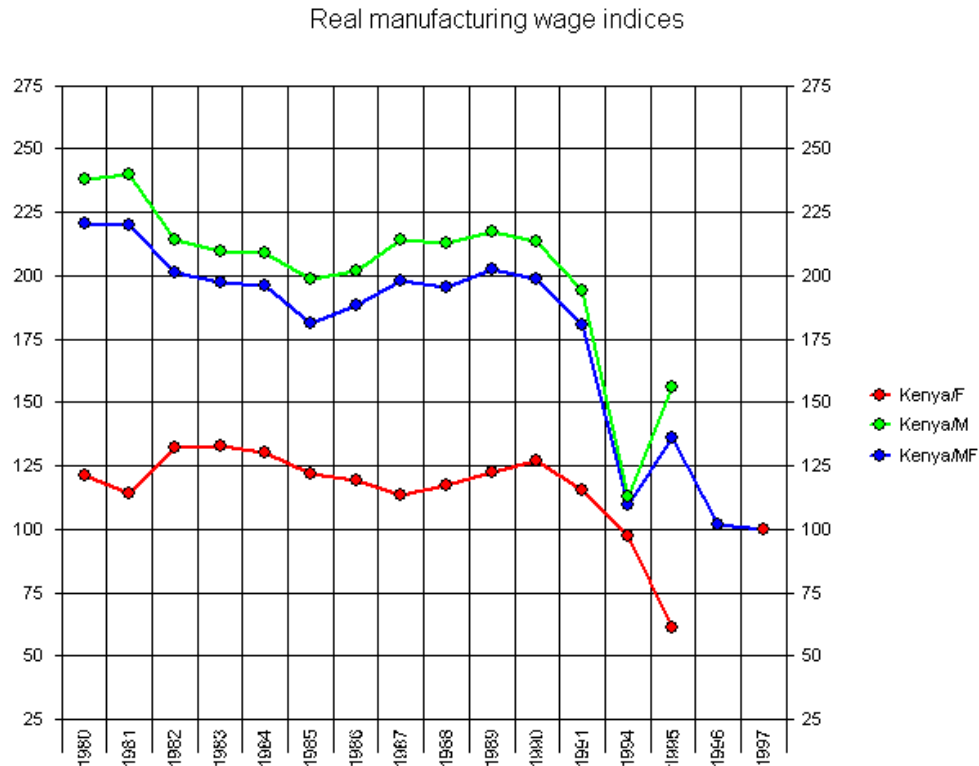


Figure 4.2: Manufacturing Wage Indices in Kenya During SAPs  
Source: *Key Indicators of Labor Markets (KILM)*, (ILO 2007)

*Key: M = Adult Males; F=Adult Females; MF = Total Adult Population*

by the ILD and employed language in line with the neoliberal paradigm. In particular, Sessional Paper No. 2 of 1992 called for the reduction of government bureaucracy through the provision of an “enabling environment,” the development of a human capital market by the *private sector*, and privatization to reduce dependency on the government (Republic of Kenya 1992). After the fallout from the SAPs, multilaterals, NGOs, and the Kenyan State increasingly touted post-modern ideals that viewed the formalization of the “micro-enterprise sector” as the hope for economic stimulus, even while municipal policies toward informals still reflected modernist ideals of order and control (Cross 2000). These opposing views have resulted in contradictory policies for and treatment of informal workers (Setsabi and Leduka 2008).

### 4.3.2 *Limited Purview of Government*

As part of its agenda to limit government involvement in national economic affairs to providing an enabling environment, the World Bank encouraged the development of a broad-reaching project. In 1992, the Kenyan government released Sessional Paper No. 2 on *Small Enterprise and Jua Kali Development in Kenya*, promising to develop an enabling environment by reducing macro-economic, legal, infrastructural, and fiscal obstacles to small enterprise (Republic of Kenya 1992). The Paper states its intentions and limited purview clearly:

As a *facilitator*, Government will concentrate on creating the infrastructural facilities and the economic environment in which entrepreneurs can emerge, develop, and grow ... moreover the importance of the private sector in economic development and employment creation will actually grow in future because of the structural adjustment policies of liberalisation and privatisation (Republic of Kenya 1992:3 emphasis added).

At the turn of the century, the National Rainbow Coalition (NARC) government committed itself to creating an enabling environment for medium sized enterprises. Based on de Soto's recommendations couched in World Bank policy, the government formed the Kenya Local Government Reform Programme in 1999 to remove unnecessary regulations and licensing barriers on trade through the provision of a Single Business Permit. The revised permit is intended to streamline the process of obtaining a permit to reduce the cost of doing business while also protecting customers from public health dangers.<sup>7</sup> The Ministry of Labour and Human Resource Development also developed a Task Force in 2003 to review the municipal bylaws that were still in effect since the colonial era that prohibited certain small businesses and trade; however, prohibitions

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<sup>7</sup>See Appendix D for the official government document on the Single Business Permit. Given its confusing and overlapping categories, I doubt this document will significantly improve the likelihood of traders and hawkers obtaining licenses.

on hawking within the Central Business District (CBD) were to be maintained (Mitullah 2003a).

### **4.3.3 *Private Sector Involvement***

In 1994, the Kenyan Government established the Micro and Small Enterprise Training and Technology Project (MSETTP) funded largely by a 24 million USD loan from the World Bank. The World Bank exerted control over the policy agenda by attaching conditionalities on program design to the offer of funding. As part of the agreement to fund the project, the World Bank required that “the Government of Kenya would provide evidence of (i) bonafide membership (registration list) in the Jua Kali Association; (ii) clear individual or Association ownership (copies of letter of allotment purchase receipt, and lease hold title) or sites (Kisumu and Mombasa) designated for infrastructure provision under the project” (World Bank 1993b:29–30 in King 1996:37). This was the beginning of the push for the provision of title deeds to small businesses, widely advocated for by de Soto’s ILD.

Under MSETTP, a Jua Kali Voucher Program was set up to develop the skills and attitudes necessary for small-business success. Based on a previous pilot voucher program, the World Bank designed the Kenya program with the intent of creating a market for training provided by the private sector, ultimately allowing it to be self-sustaining. The first Voucher Program in Peru in 1993 faced significant challenges in part due to corruption and the stipulation of tying training to credit provision.<sup>8</sup> Despite the limited success the Peruvian model achieved and before the World Bank had ample time to

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<sup>8</sup>The World Bank was working closely with de Soto and the ILD in Peru at this time with titling for small entrepreneurs. Instituting a voucher program was the next step in the neoliberal agenda of instituting free market solutions to “build the capacity” of these entrepreneurs. Land titling, training, and a reduction in bureaucracy would be the “other path” to economic success in Peru but the first two components of the plan never produced the intended results (Mitchell 2006).

learn from its mistakes in Peru, the voucher program was exported (with modifications) to other countries, including Paraguay and Kenya (Goldmark 2000).

The Kenya Jua Kali Voucher Program targeted small-enterprise needs with several different types of vouchers (textiles, woodworking, metalworking, motor vehicle mechanics, and food processing) targeting both small manufacturing firms and microenterprises run by women (Haan 2001). However, whatever benefits could accrue under the program were limited to entrepreneurs who could fill out the eight-page application and who owned permanent premises for their businesses (Riley and Steel 2000). As detailed previously, such stipulations highly favor predominantly male small-manufacturers and seriously disadvantage produce and garment traders and hawkers, especially those who are female. Ultimately, as in Peru, the program fell victim to significant collusion between client and provider where they would split the profits of the voucher without the provision (or receipt) of training (Goldmark 2000). Despite these and other problems, demand-side solutions were touted as being more responsive to the needs of small-enterprises and not creating the same problem of dependency as the supply-side programs instituted by the government. However, in Kenya, as in Peru, a market for small-enterprise training has yet to gain any significant traction (Haan 2001).

#### **4.3.4 *Privatization***

The SAP that Kenya accepted in 1980 targeted the privatization or restructuring of parastatals, reduction in state services and public employment, and fiscal reform. In 1987, Kenya received 300 million USD from the IMF in balance of payments support to help implement these reforms (Bryceson and Potts 2005:187). Shortly thereafter, the government issued Sessional Paper No. 4 of 1991 on *Development and Employment in Kenya*

that underlined the urgent need to divest from deteriorating state corporations (Republic of Kenya 2005a).

Kenya Industrial Estates (KIE), a government parastatal responsible for small-enterprise training, loans, provision, and clustering, was caught into the swirl of restructuring. As part of the wider reforms, KIE was forced by the government to sell off its sheds and technical service centers, increase interest rates on loans, and avoid exchange risk on foreign currency transactions. This decapitated KIE and its ability to provide small-entrepreneurs with beneficial terms of trade or additional services such as the purchasing of international inputs at wholesale prices. These services were removed according to the justification that the provision of subsidies, training, and protections to small-scale enterprises shielded them from competition and inhibited “effective development of entrepreneurial capacity . . . and should substantially inject the entrepreneurial spirit” (Ikiara 1990:18). To truly be entrepreneurs, as the ILO claimed they were, business-people needed to stop hiding behind government subsidies, join the capitalist system of risk/reward, and share the burden of risk that would ultimately lead their industry to reward (or alternatively lead it to failure, but this was not often discussed). The business-owners who took this approach were the “true entrepreneurs” that would lead Kenya forward to economic development (Elyachar 2005).

While damaging small-industries, this earlier package of reforms did little to increase economic growth in Kenya and in 1993 another adjustment program was instituted to bring about economic reform, through a reduction in the fiscal deficit and enhanced monetary discipline; devaluation of currency to reduce inflation; liberalization of external and internal markets; initiation of parastatal reform to reduce mismanagement, corruption, and inflated marketing costs for smallholders; and improved government management through reduction of the size of the civil service and reorganizing key min-

istries (The World Bank 1997; King 1996:43; Republic of Kenya 2005a). In 1992, the Kenyan government ordered divestiture in 207 non-strategic enterprises, while retaining control of 33 commercial enterprises of strategic interest (Republic of Kenya 2005a). In 1998, the IMF produced a timeline for the divestiture in the remaining non-strategic government holdings (IMF 1996).

Neo-liberal policies and terminology, particularly the emphasis on market-friendly reforms, re-energizing the private sector, providing training and access to credit, limiting government purview to providing an enabling environment, have been consistently employed in Republic of Kenya reports including the recently released government policy for SMEs. The Economic Recovery Strategy for Wealth and Employment Creation 2003–2007 provides a "recovery outline centered on re-energized private sector activity and investment and specifically Micro, Small and Medium Sized Enterprise (MSME) development. . . [The project] seeks to increase the competitiveness of MSMEs" by improving "Access to Finance," "Strengthening Enterprise Skills and Market Linkages," and "Improving the Business Environment" (Republic of Kenya 2009b). In other words, the report encourages market-friendly reforms and limits government intervention to providing an enabling environment. Ultimately, the report suggests the implementation of these policies will "create incentives for informal MSMEs to graduate to higher levels of formality . . . [which] will assist the Government in implementing the simplified taxation regime for micro and small businesses" (Republic of Kenya 2009b). Likewise, the Economic Recovery Action Plan seeks the binary goal of accelerating economic growth and reducing poverty through "job creation through sound macroeconomic policies," "improved governance," "efficient public service delivery," and creating an "enabling environment . . . to reduce the cost of doing business" (Republic of Kenya 2009a). These documents show that discourses developed by multilaterals with generic recommendations for economic development have had a powerful influence on Kenyan State policy.

## 4.4 Conclusion

This chapter traced the influence of development paradigms on the history of informal work in Kenya in the colonial and post-colonial periods. At the beginning of the colonial period in Kenya, the British government exerted direct control over policies in the colony. The Singer-Prebisch theory and ISI directly influenced the post-colonial government in Kenya. Such policies were suggested by discourses rooted in Northern development paradigms and supported by international institutions.

The draw of modernization theory quickly surpassed the support procured for the Singer-Prebisch theory. Foreign advisors to Kenya recommended rapid industrialization as the agent for social and economic transformation. The formation of various parastatals and development finance institutions that catered to the needs of large and medium sized firms in the 1960s revealed how quickly modernization theory infiltrated the policy directives of the Kenyan state. While providing token acknowledgement of dependency theory through Africanization and Sessional Paper No. 10 of 1965 on African Socialism, the Kenyan State pursued the capitalist policy of “modern sector enlargement “ while neglecting the “traditional and backward” activities of petty-trade and subsistence agriculture. As Leys (1994:12) suggests, dependency theory served as a philosophical and moral foundation for the populist discourse opposing the shift from British to Kenyan bourgeoisie with little change for the *mwanaanchi* (populace).

The 1972 ILO Kenya Report, supported by the RWG paradigm, was quite influential on government policies. Indeed President Moi advocated for a new conceptualization of small-manufacturers in response to reports calling for an improved view of the sector’s productivity and worth, leading to the development of the new social category of *jua kali*. The oil and debt crises of the 1970s and 1980s effectively ended the ILO’s RWG



policies and ushered in a new era of market-friendly reforms. SAPs offered by the World Bank and IMF left the Kenyan government little choice in the direction of its agenda for national development. The standard of living of informals declined due to the repeal of labor laws, removal of subsidies, increased in loan interest rates, and privatization of training. For the first time, informal trading and hawking was no longer economically productive and contributed to increasing urban marginality (White 1986).<sup>9</sup>

As government spending on social welfare was decreased by the reforms, the Kenyan government had to increasingly rely on self-help policies of ordinary Kenyans, NGOs, and the private sector. This change in policy led to a strong emphasis on the self-sufficient capacity of informals. Around this time, the World Bank created a new funding category for microentrepreneurs that portrayed them as the engine of national development given the right macro-economic and legal environment (Elyachar 2005:4; Himbara 1989:227). To receive loans from international organizations, state policy writers and NGOs began to incorporate the new category into national and local policy, effectively creating a new social group. The praxis of self-help was developed, sold, bought, and institutionalized through this period allowing for a justification of the failure of the state to play a role in national welfare development.

Ultimately, the interplay of institutions (i.e., states, universities, and multilaterals) exerted a powerful influence by “framing” discourses (to use Foucault’s terminology) concerning informal work. The next chapter will further the discussion started here on the Kenyan State’s formation of new social categories according to the needs of the ruling development agenda through mechanisms of normalization, consent, and coercion.

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<sup>9</sup>White (1986) persuasively argues that non-waged workers (including prostitutes and informal traders) should be considered “petty bourgeoisie” not “proletariats” because they enjoyed a firmly middle class existence that allowed for capital accumulation and class-consciousness and mobilization. Referencing House (1978), she supports her claim that informal workers were more prosperous than waged workers at that time with earnings data. On average, waged workers received Ksh 352 per month while *jua kali* workers earned Ksh 1,184 and traders earned Ksh 1,600.

## CHAPTER 5

### THE USE OF NORMALIZATION, CONSENT, AND COERCION TO MAINTAIN POWER IN KENYA

The first part of this chapter provides a history of the political construction of trade and social hierarchy in Kenya by Foucault's notion of normalization and Gramsci's idea of manufacturing consent. This work views normalization as an aspect of consent-building, where constructed discourses help to generate consent about the "naturalness" of the created structural condition. Gramsci understands consent as a mechanism of power to build legitimacy for the rule of dominant group. Through this lens we can see that the characteristics that make work "informal" were constructed by the colonial and post-colonial regimes through Foucault's triangular relations of power, discourse creation, and right/regulation. As we will see in this chapter, every regime ruling in Kenya created discourses to assert its power and define normative behaviors and relations of power.

Foucault (1977) also writes about the juridical system that is constructed both by power and the discourse of truth, which in turn both judges the discourse of truth and restricts power. Especially under democratic political systems, a juridical system both limits power and influences the construction of truth and norms, which lend legitimacy to relations of power. However, in Kenya, dictatorships and single-party politics limited the extent to which the juridical system could monitor authoritarian power. As Ikiara et al. (2004:210) write, "[President] Moi's rule was characterized by an acceleration of consolidation of the power of the executive at the expense of parliament and the judiciary, a development which had started in Kenyatta's regime ... a political culture emerged in which the authority of the president ... was largely unquestionable." The second half of this chapter reveals how in Kenya, Foucault's triangle was tilted heavily in the favor of knowledge and power, with a weak juridical component that both di-

rected the legal system to reinforce power and enable extra-legal measures of repression through the use of police action.

## **5.1 A History of Pre-Colonial Trade in Central Kenya**

Women conducted the majority of short and long distance trade in Kenya prior to the colonial period. Reports dated to the late 19<sup>th</sup> century in Kenya from Louis Leakey, Lord Lugard's expedition, and missionaries confirm that trading caravans of a hundred or more women regularly traveled on foot between the Central Highlands, Maasailand and Ukambani trading produce, animals, skins, dyes, sundries, and woven goods. The caravans were organized and led by an unmarried or barren woman or a mother who had an older female child or co-wife to leave in charge of the household. Often the caravans included an emissary who was bicultural, knew the languages and cultures of both groups, and could facilitate trust and lifted trade barriers in the era before rapid mass communication. Women were essential for this long-distance trade since they were protected by a "market peace rule" that did not apply to males (Robertson 1997b:71).<sup>1</sup>

Although long-distance trade was better documented than local trade by Leakey and his British peers, the latter was occurring much more frequently. Local markets were operating up to four days a week in permanent premises and trade was conducted exclusively by barter. While the traders were predominantly women, men contributed to local trade by guarding the markets (Robertson 1997b; Bujra 1975).

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<sup>1</sup>See Godfrey Muriuki, *The History of the Kikuyu, 1500–1900*, (1974) for a more detailed discussion of the "market peace rule" and Claire Robertson, "Gender and Trade Relations in Central Kenya in the Late Nineteenth Century" (1997a) for a superb detailed discussion of early trade in Kenya.

## **5.2 Colonial Policies Regarding Trade**

In 1899, the Mombasa-Kampala railway, constructed largely by Asians laborers drafted by the British from the crown colony of India, reached a low-lying swampy area where a trading depot was established. Soon the town of Nairobi grew around the depot, becoming the capital of the British protectorate and later the colony. The British instituted spatial segregation and economic control over both the indigenous population and Asians.<sup>2</sup> The British colonialists quickly dispossessed the Kikuyu of their land in the Central Highlands and the Maasai of their grazing land in the Rift Valley, choosing the most fertile, temperate, and malaria free zones for their extensive plantations and ranches. By the 1920s, Europeans had displaced Africans from half of the arable land in Kenya (Marris and Somerset 1971). Asians, meanwhile, were restricted in the types of enterprises they could run and where they could settle.

### **5.2.1 *Control of Reproduction***

Colonial policies drew rural peasants into direct relations with capitalist modes of production as Africans were forced to earn cash income to pay various taxes. In 1901, a hut tax was instituted on all households and by 1904 Africans could only pay this tax in cash. The combination of the loss of farmland, the restriction of movement via passes, and the requirement to pay a cash tax to the new administration forced African males into the service of European farms and factories. Although contestation of these new regulations occurred at first, their constant application over time, the normalization of policies through colonial discourse and action, and the recognition of the inevitability

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<sup>2</sup>Many of the Asians who built the railroad system returned home. However, in the early 1900s, a new influx of Ismaili and Gujarati Indians arrived in Kenya, in part due to their ties with the coastal trade routes (Hirst and Lamba 1994).

of the policies served to help manufacture consent.

In 1915 the Registration of Natives Ordinance created pass laws that sought to limit who could come to Nairobi and where they could settle, thereby balancing supply and demand and reducing the chance for violent revolution by the unemployed (Hay and Harris 2007). In rural areas, “Native Reserves” and the pass system (*kipande*) were instituted as part of the colonial “pacification” scheme. Since ethnic groups were separated from each other, restricted to their “tribal areas,” and made to list their ethnicity on their pass, previously fluid ethnic identities began to be cemented and linked to clear geographic locales (Robertson 1997b). Likewise, normative racial categories were constructed based on the supposed economic, intellectual, and moral superiority of British society. Laws based on this discourse of superiority enforced the racial segregation of housing, politics, and economy and had the effect of making European rule seem natural. While contestations of European rule occurred preventing this hierarchy from being completely normalized, many Kenyans accepted a subservient social position.

### **Control of Social Reproduction**

Racial and ethnic categories were created by the Europeans to institute social control. The population was separated into a rigid pyramidal triple caste system with the Europeans at the top, Asians in the middle, and Africans on the bottom. These social categories also created a social identity for the members based on normative judgments such this quote from the Minister of Health in the early 1900s:

Such was Nairobi in January, 1902 — a town of mushroom growth, undrained, insanitary and foul, sheltering some 5000–6000 Inhabitants mostly of alien extraction who bringing with them their caste prejudices, oriental vices, and inherent love of filth, darkness and overcrowding, attracted the Native in numbers who quickly acquired all the vices and immorality his

Eastern superiors could teach him, which he practiced with such terrible results to himself and the community at large (Ministry of Health quoted in Robertson 1997b:12–13).

The social categories were cemented via physical segregation such that Africans were restricted to “native locations” and Asians were not allowed to own land in either the European areas or the “native reserves.” This left Asians with little alternative but to turn to urban and rural trade and small manufacturing (Swainson 1978). Within Nairobi they were accorded land around the railway depot — an area called Landhies. Between the Asian and African parts of town sprouted Nairobi’s first marketplace, the Indian Bazaar. Asians were also the first to build permanent shops in rural Kenya and bring in large shipments of imports to serve both the African population and the British colonial and missionary population (Marris and Somerset 1971).

The colonial administration also encouraged tribal associations that would divide workers in Nairobi along ethnic lines. Kikuyu were predominant in Nairobi and formed the Young Kikuyu Association and the Kikuyu Central Association (Furedi 1973). Other similar groups formed, albeit on a much smaller level. To institutionalize these ethnically-based associations, the government set up the Native Advisory Council with twenty representatives from missionary societies and “tribal associations.” The latter was a concept designed by the colonial administration but by drawing indigenous leadership only from these institutions, consent over their construction was manufactured.

### **Control of Sexual Reproduction**

The colonial administration enacted legal and normative measures to control sexual reproduction as well as social reproduction. African families were increasingly separated as men headed to Nairobi for work or were drafted to fight in World War I for their colo-

nial masters and women remained on the *shamba* (farmstead).<sup>3</sup> Rural wives were not encouraged to migrate to the city with their husbands because rural household production was an essential component of cheap urban labor by “subsidizing” male wages through the provision of food to the homestead. In addition, urban farming was not possible in the poorly drained soil of the African housing settlements (particularly Pumwani) (White 1986). This led to temporary urbanization or circular migration where the men would rotate between Nairobi and the *shamba* depending on the seasons and availability of work (Hay and Harris 2007).

The high number of male migrant workers in Nairobi created a demand for cheap food, sundries, and sex and men turned to prostitutes to fulfill these needs and desires. Prostitutes not only provided sexual services but also could cook, provide warm bathwater, and clean his clothes for additional income. The colonial administration tolerated this to some degree when it remained quietly within the household, but when African troops and Italian Prisoners of War began to visit the African quarters for such services, the government instituted a strong curfew (White 1986). However, prostitution adapted, forming a less conspicuous service behind closed doors that economically profited women.

Under the Vagrancy Act, prostitutes were removed from the city if found, while female traders were generally not, providing an incentive for prostitutes or former prostitutes to engage in petty-trade at least on the side. Female traders were an essential component of keeping labor costs low for European industries. In fact, trade conducted by women from Kiambu became the main source of fresh produce for Nairobi and *uji* (porridge) favored by African industrial workers and female traders at this time were not restricted by the pass laws that prevented men from coming to Nairobi without waged

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<sup>3</sup>Robertson (1997b) suggests that Kiambu, a Kikuyu area in the Central Highlands, likely supplied the highest percentage of African soldiers by population for both WWI and WWII.

employment. Thus, colonial ordinances prevented wives from settling with their husbands in the city but encouraged economically useful women to “service” male low-wage labor.

A 1903 ordinance forced hawkers to obtain a license to sell anything but their own produce, which favored women who could make the short trip to Kiambu every day or two (KNA Nairobi Administrative District AR 1926:55 and Wood 1974:39 in Robertson 1996:52). This itinerant lifestyle was reinforced by the colonial government’s periodic demolition of low-cost self-constructed housing.

According to the 1906 Employment of Servants Ordinance, employers were required to house employees, but in reality, this ordinance was unenforced. Since Africans were not allowed to settle in Nairobi, they constructed “villages” or self-constructed settlements on the outskirts (Obudho and Aduwo 1989:18). Concerned by their lack of control over these settlements and the inability to enforce the pass laws entirely due to the need of European firms for African labor, municipal officials razed the five African housing areas in Nairobi<sup>4</sup> between the 1920s and 1940s and resettled the African population onto municipal-owned land north of the Nairobi River and east of downtown. These more centralized neighborhoods were called *Pumwani* (“the resting place”) and *Shauri Moyo* (“business of the heart” or “my own business”) (Hay and Harris 2007).<sup>5</sup>

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<sup>4</sup>Mji wa Mombasa, Pangani, Maskini, Kaburini and Kileleshwa — Pangani was the wealthiest of these African settlements (Bujra 1975; White 1986). These towns have clear linkages to the Kenyan coast and indeed White (1986) reports that the majority of land-lords and prostitutes in Pumwani (the consolidation of four of the five villages) were Muslims from the Coast and not Kikuyu from the Central Highlands, although many new residents quickly converted. As a result, many of the houses were constructed in the Swahili style where a central corridor bisects rooms and leads to communal cooking and bathing in the rear (Hay and Harris 2007).

<sup>5</sup>In part, this consolidation occurred because of the breakout of venereal diseases. Bujra (1975) documents a letter “from a Committee appointed by a public meeting convened to consider the question of venereal disease ... in which the importance of the Native Location as a first measure towards the controlling of native prostitution was urged.”



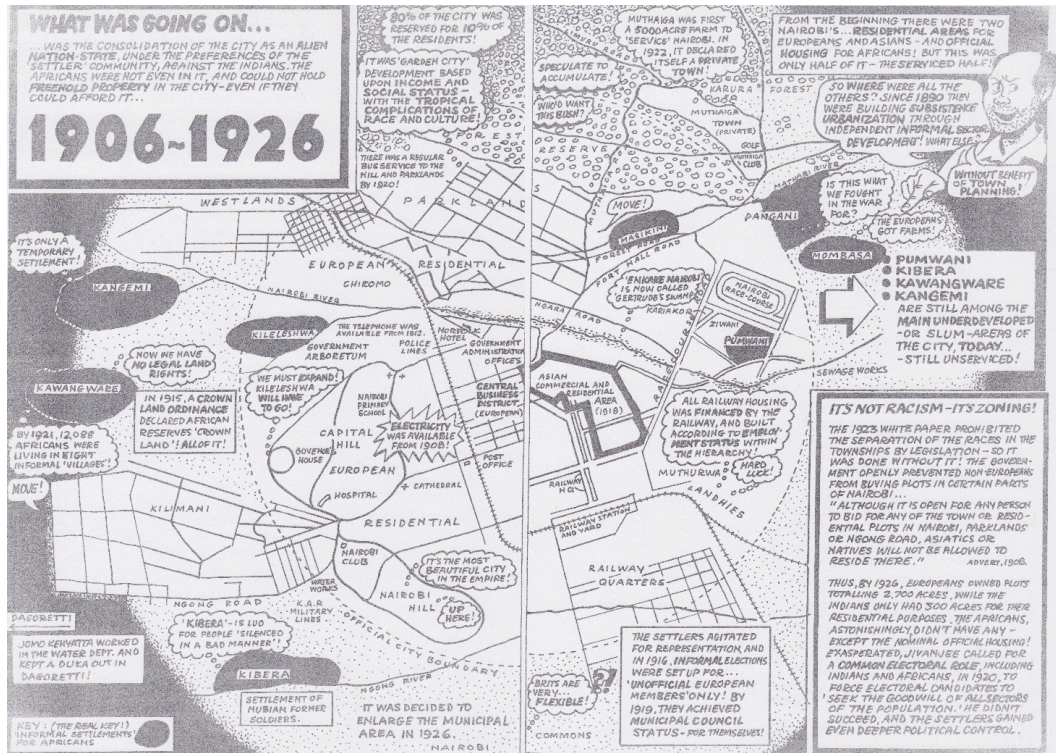


Figure 5.1: Map of African Housing in Nairobi During the Colonial Era  
Source: (Hirst and Lamba 1994)

Note: See Appendix C for an enlarged map

After the demolitions in Nairobi, the government allowed men and women to register for land titles (which could be passed to their heirs or “designated heirs”), construct houses, or the right to rent rooms in Nairobi. With this concession, the municipal government built consent over the demolition of Pangani and the consolidation to the more controllable settlement of Shauri Moyo. At the same time, through the policy of usufruct, they maintained economic control without the hassle of managing the everyday affairs of Africans.

Many women invested their accumulated capital from prostitution into petty-trade or the housing market, in part to provide themselves with “legal” employment that reduced government harassment and evictions to rural reserves under the Vagrancy Act. By the

1930s, women made up a significant proportion of urban home-owners in the “Native Locations.” In Pangani in 1932 and Pumwani from 1943 through 1971, just over 40 percent of the houses were owned by women (Bujra 1975:216, 232). This was a significant change for Kikuyu women who did not own the land they lived on in rural areas only had rights to farm it for their husband.<sup>6</sup> White (1990a:420) records the importance of this change through an interview with a woman who moved to Nairobi in the 1920s, “At home, what could I do? Grow crops for my husband and father. In Nairobi, I can earn my own money, for myself.” In some ways, the colonial regime unintentionally provided opportunities for female capital accumulation and female inheritance far beyond what was available previously. When Pangani was destroyed, ninety percent of its female landlords accepted the opportunity for lifetime leases of stone tenements that they could rent out in the newly created Shauri Moyo.<sup>7</sup> While these buildings could not be passed on to heirs, they were a source of stability and guaranteed income for the remainder of the woman’s life (White 1986).

But these new housing developments could not accommodate the population growth that occurred in 1937 when labor demands skyrocketed and the African population jumped from 28,000 in 1936 to 40,000 in 1938 (White 1986). The Municipal Native Affairs Office reported in 1938 that “...very large numbers of natives ...for lack of accommodation are unable to sleep in Pumwani [the official native location].... It is estimated that some 600 are in River Road and Canal Road alone, living in undesirable squalor” (Furedi 1973).<sup>8</sup>

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<sup>6</sup>See Robertson (1997b:64–70) for a detailed discussion on the pre-colonial rights of ownership for Kikuyu women.

<sup>7</sup>The 175 stone houses originally built by the municipality for landlords expelled from Pangani to move to in Shauri Moyo, today house much of the wholesale sector of mitumba (used clothing) sales in Gikomba.

<sup>8</sup>To better understand the life and living conditions of casual laborers in Nairobi at this time see Meja Mwangi’s fictionalized historical account “Going Down River Road” (1976).



Figure 5.2: Colonial Era Housing in Pumwani

More official surveys estimated that housing had been constructed for about 9,000 people in Pumwani and Shauri Moyo, leaving approximately seventy-five percent of Nairobi's African population to fend for themselves (Hay and Harris 2007; Obudho and Aduwo 1989). Furedi (1973:281) estimated that in 1941 there were at least 1,500 informal workers (tailors, masons, hawkers, petty traders) in Nairobi, 2,000 to 3,000 unemployed persons, and 2,000 Kikuyu traders entering Nairobi on a daily basis.

The imposed social hierarchy and equation of female traders with prostitution led to increasingly negative views of traders proffered by the colonial government.<sup>9</sup> Traders were considered unproductive and illegitimate forms of work. In the 1930s, an administrator described traders as:

unemployed and mostly unemployable . . . As they emerge from the mission school their main ambition appears to be the achieving of a competency by means of petty cheating . . . This finds expression in the incredible number of middle men — traders who are found on almost every reserve road trading

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<sup>9</sup>Oftentimes in Africa, "loss of economic control over traders is equated with loss of sexual control over women" (Gracia Clark 1988 in Robertson 1997b:91).

on a miserable capital, but persuading the native producer ...to dispose of his produce at a figure much below the market prices. It further finds expression in the shops ...butchers and “hotels” which has sprung up like mushrooms and owe their existence to that misguided patriotism which is the last refuge of the scoundrel (Van Zwanenberg and King in Robertson 1997b:79).

In 1944 the District Commissioner denigrated the value of local trade as:

An ugly development recently has been the petty trading done by women who, buying produce at one market, take it to a different part of the district and dispose of it at a handsome profit. ... The spread of petty trading ... has clearly gone too far. ... (Robertson 1997b:104).

Characterizations of traders showed increasing concern on the part of the colonial administration with the freedom of movement traders had been accorded. The colonial administration responded by tightening its control over the African population through food ordinances, movement restrictions, the division of the working class to prevent class mobilization, and the physical repression of traders. Thus, the late 1940s saw an increase in reports of citizens feeling threatened both economically and physically.

### **5.2.2 *Control of Production***

#### **Restriction on African Trade**

European settlers were particularly unhappy with the proliferation of illegal channels of produce into the export and local market and demanded regulation to protect their own economic interests. Untaxed produce movement by Africans was also significantly cutting into the revenues of the colonial government, which enacted a series of ordinances to address the problem. As part of the Food Control Ordinance in the late 1920s, a Food

Control Board was established to impose price controls, distribute licenses, prohibit the exportation of staples and provide famine relief in the Reserves (Robertson 1997b).

The Market of Native Produce Ordinance instituted in 1935, further centralized markets, licensed traders, and provisioned for the inspection of produce and grading of staples. African and European produce was graded separately with European produce always commanding more value and a higher grade for being produced on white-owned farms. Thus, from the very beginning, the colonial system created a dual labor market in Kenya with European products inherently commanding higher prices than similar African small-holder products.

In 1939, the Native Advisory Council was set up to improve tax collection and deal with other native affairs. The purpose of implementing this mechanism was to develop consent and legitimacy for colonial regulations that would increase taxable channels and restrict the benefits Africans could derive from agricultural trade (Furedi 1973; Himbara 1989). Although the Native Advisory Council had little actual power, its members did enjoy special privileges and higher social status. In 1946, the African Advisory Council (AAC) could nominate two members to the Nairobi Municipal Council (NMC), thereby securing African representation in urban issues (Furedi 1973).

In the meantime, ordinances invoked by the colonial administration made legal agricultural trade difficult for ordinary Africans again created a two-tiered system where the elite Europeans had easy access to markets while artificially limiting African trade. After 1940, the administration heavily enforced the 1901 pass laws, forcing traders to have both a license and a pass to operate in Nairobi, to control movement of people and goods out of the Reserves. In 1942 alone, two hundred people a month were deported from Nairobi and forced to return to their native reserve (Robertson 1996). In 1946 a municipal ordinance was passed that permitted the removal of any African from Nairobi

for any reason without recourse. Ordinances passed in 1949, presumably under the nose of the two AAC members of the NMC, further limited the movement of people and trade in and out of Nairobi (Robertson 1997b).

In 1952, the forced evacuation of the labor force when a state of emergency was declared and the limitations placed on traders who provided cheap food to support cheap labor, led to a labor shortage in Nairobi. This created consternation among European industrialists who were suffering low productivity in their firms. Formal sector growth remained sluggish without enough workers and the informal sector was slow to recover as well since there was, for a time, employment availability in the formal sector at a wage well above the market-clearing wage (Kitching 1980b:401). The colonial administration was forced to repeal some of its previous controls on movement.

Enterprise controls on Africans traders were more repressive after the Emergency was declared by a colonial government concerned about the Land and Freedom Army (LFA).<sup>10</sup> Laws such as the Emergency Powers Order in Council and the Public Order Ordinance gave the government nearly complete free-will to control Africans. Raids were conducted on traders, marketplaces were targets of police violence, and fences were built around African marketplaces to physically control the population (Robertson 1997b). However, non-coercive policies to generate consent for colonial policies were still preferred. In particular, the administration attempted to create a loyal group of followers and cement their allegiance through preferential treatment. To this end, a new policy asserted that only loyalists could receive business or trade licenses.

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<sup>10</sup>Also known as the *Mau Mau*, the LFA fought a guerilla style war against the British administration in the 1950s. Attacks by the LFA on rural farmers and the difficulty of determining who was part of the LFA led to the declaration of a state of emergency in Kenya in 1952. The LFA was predominantly made up of Kikuyu who were facing serious land shortages in the Central Highlands due to land-grabs by European farmers and the return of war veterans after World War II (Koinange 1955:18).

## **Privileging of Small Industries**

After World War II ended, Kenyan War Veterans returned home bringing with them new capital. Many veterans, especially the Kikuyu from the Central Highlands, had lost their land to White settlers during this time and returned to Kenya with no rural land-holdings. Many of the Kikuyu returning from World War II had been previously employed in Indian or European firms in Nairobi but due to tightened pass laws and a labor surplus, could not return to their previous employers. Thus, many capitalized on the skills they had learned and invested their new capital into new machinery, causing a boom in the number of African businesses listed with the Registrar of Companies between 1945 and 1949 (Himbara 1989). The competition from established Indian workshops, standards imposed on construction, and the prohibitions on credit provisions to African businesses was too great for the nascent African businesses in rural areas and most collapsed before long (Marris and Somerset 1971; Koinange 1955:16–18). Mbiyu Koinange writes first-hand his account of the causes for failed businesses during the 1940s,

Africans were allowed to build shops of permanent material in trading centers . . . a time limit was placed on the completion of these shops after which the builder lost his trading license and trading site. In the Central Province alone which has about eight districts each district had about 2,000 shops costing about 8,000 /- (over \$1,000) each. . . . The result is that if you visited any of these trading centers . . . in one shop you would find only a bar of blue soap, one blanket and a lantern. The African, having spent 8,000 /- of his savings on permanent materials did not have any money left to buy trading goods for his shops (1955:17–18).

Many of the small businessmen had taken advantage of the opening of colonial policy toward the initiation of African enterprise; however, with the mass failure of African enterprise, the colonial government shifted their focus to developing a more stable contingent of entrepreneurs.

Due to the failing businesses and slow growth in the formal sector, the colonial regime also became increasingly concerned with rising unemployment and its implications for class revolutions. Protests, strikes, and riots in Mombasa in 1939 highlighted the potential for social unrest and worried the colonial administration. Early colonial censuses did not record non-wage employment and since “employed” adult males rarely exceeded twenty-five percent of the total adult male population, an “unemployment” rate of seventy-five percent was viewed with concern for its potential for generating social unrest (Kitching 1980a). To manage the rapid increase in small enterprises, social unrest evident in urban areas, rising unemployment, and migration from “native reserves,” the colonial government set up the Rural Industries Committee in the 1940s. The Committee was tasked with creating a middle class of small-entrepreneurs that would provide goods for local markets, absorb the unemployed, and eventually graduate workers into larger industries (Himbara 1989). These legal constructs manufactured normative understandings of small-scale enterprises that played an important role in the construction of informal identity starting in the colonial period. They also privileged colonial economic interests by helping to keep labor costs low and small entrepreneurs loyal and dependent on the colonial administration. The Nairobi Municipal Native Affairs Officer articulated this purposeful construction of an African urban entrepreneurial class in the 1941 Annual Report:

The aim is to evolve a class which will, with a little capital, be able to supply more people at lower prices... He usually lives in the most overcrowded parts of Pumwani... What is desirable is a more stable figure living at a higher level of subsistence and more knowledgeable in his trade (Robertson 1997b:131).

This division of the working class into productive and unproductive, stable and unstable, knowledgeable and unknowledgeable categories had long lasting effects in Kenya. As we will see in the following sections, post-colonial administrations based



their understanding of, and policies for, small-scale enterprises on the norms created by colonial-era regulations.

## **Conclusion**

As an instrument of colonial power, the juridical instrument in Kenya both strengthened the power of the administration and supported the construction of normative discourses. Discourses concerning racial superiority that fomented a social hierarchy became embedded in society while regulations concerning spatial mobility and economic opportunity fostered an artificial dual labor market that supported the economic interests of the colonial administration. The colonial administration needed to bolster its legitimacy so badly during the Emergency that it manufactured discourse around the “inherent” greater productivity of small enterprises than trade to create a loyalist contingent of a “new class of entrepreneurs.” However, to maintain the economic hierarchy, the administration limited the real economic power of these enterprises through regulations such as the Credit to Natives Ordinance. Thus, small African businesses were only allowed to fill the bottom rung of an artificially created dual labor market. While marginally better off than hawkers and traders, who faced deportation and repression at the hands of the colonial regime, traders were severely limited in their economic mobility. The constructed nature of the social position of small enterprises and traders is an essential but historically neglected characteristic of occupational development in Kenya.

## **5.3 Post-Colonial Constructions of Informal Work**

That the transfer of power that occurred in 1963 was little more than an exchange of British elite for African elite had important consequences for Kenyan hawkers and

traders (Leys 1975). Traders who had been restricted so heavily under the colonial administration remained in the bottom tier of the economic hierarchy. African enterprises had never really been given the chance to succeed with the artificial limitations imposed by the colonists did not fare much better in the years after independence. Instead, most of the policies adopted by the new government supported large industries that had been given out as favors to political elites in the new-elected president's circle.

The newly independent government in Kenya quickly implemented ISI and Africanization policies that benefitted elite interests (Swainson 1978). They invested little energy into reforming colonial policies that disfavored local trade and micro-enterprises (Himbara 1989). Under the new administration, traders and hawkers were still viewed as undesirables. In 1964, the government instituted Operation Clean Up, purportedly based on public health and urban aesthetic concerns (Robertson 1993). Whatever its intent, the operation reaffirmed the elitist conceptualization of traders as deviants who contributed to the moral and physical decay of the city, thereby justifying evictions and protecting elite business interests (Setsabi and Leduka 2008). In 1968 a NCC (Nairobi City Council) committee "recommended that the whole hawker issues be referred to the Unemployment Sub-Committee" reinforcing the idea that small enterprises were not considered gainful employment (Robertson 1997b:262). It was not until after the ILO's 1972 Kenya Report was released that the government began to pay attention to informal work.

### **5.3.1 *Occupational Differentiation***

As discussed earlier, small manufacturers had long been portrayed by the colonial administration as less transitory, more homogeneous, more dynamic, and more willing

to invest in permanent structures compared to traders (ignoring the history of policy regarding trading and hawking in Nairobi that privileged this sub-sector over other sub-sectors of informal work) (Robertson 1997b:265; Marris and Somerset 1971). The ILO Report built on this popular notion, painting small manufactures as a perfect example of entrepreneurial spirit and the innovation that occurs in a competitive environment (Leys 1975).<sup>11</sup> According to the Report, it was these small manufacturers, who with a little training, could act as the engines of growth for the country and progress to modern-sector entrepreneurs (Macharia 1993).

President Moi recognized the growing influence of informal workers due to the massive demographic shifts and began instituting policies based on ILO recommendations that helped his administration maintain power. Writing shortly after this period, Colin Leys observed that, “Since the redistributive thrust of the proposals would entail sacrifices by the social classes actually in power in Kenya, it was not hard for observers at the time . . . to conclude that the proposals would only be implemented insofar as they did not conflict with the dominant interests represented by the Kenya government” (1979:330). In fact, this is exactly what happened. Certain aspects of the ILO recommendations were employed quickly while others were ignored. The ILO seemed to tolerate this partial implementation, compromising more and more on the overall ideological bent of the policy as it became less popular with other powerful states and institutions.

After an attempted coup in 1982, Moi became nearly obsessive in his attempts to control the society in order to maintain power. At first, he constructed a discourse of

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<sup>11</sup>Elyachar documents how the category “microentrepreneur” came into existence as a social group “when the World Bank designated a new funding category, and set into motion new hybrid forms of organizational power that stretched the bounds of the state, international organizations, and the NGO. These young microentrepreneurs were to embody the new, vigorous market economy that would take Egypt forward in the era of neoliberalism and the ITO. They were not, the speaker wanted to make clear, the old-style craftsmen of Egypt who “make a piece of something and that’s it.” Although they had been born to rely on the state, they had reemerged from a chrysalis of debt and training to become entrepreneurs. They would embody the free market” (Elyachar 2005:4).

difference that ultimately served to prevent the unification over informal workers over similar interests. In particular, Moi advocated for the use of the term *jua kali* to represent the positive attributes of small-manufacturers including skill, hard-work, dedication, growth, success, and ingenuity (Macharia 1993).<sup>12</sup> In 1986, President Moi promised sheds and land titles to small manufacturers around Kariobangi and Gikomba, pledging over a million Kenyan shillings to the project. Moi's personal appearance at Kamukunji to dedicate the first shed signified to the nation a change in policy and priorities by the government. Moi dedicated the structures as “*Nyayo sheds*” (*footsteps*; a nickname for Moi because he followed in the footsteps of Kenyatta), thereby legitimizing this form of informal work and creating consent for the new terminology by suggesting that workers are following in his footsteps towards national development. One *jua kali* artisan present in Kamukunji for the President's visit described its impact: “I can now identify myself as a ‘Jua Kali’ worker without as much harassment as before. When I tell the policemen that I do not have a work identification number because I work in Kamukunji as a metal artisan, the immediate response these days is, “Oh, the President's place, and I am left free” (Macharia 1993:25). As documented by Macharia, artisans reported a concomitant rise in trust from customers signifying a changed national perception of *jua kali*.

In both the popular press and government documents, *jua kali* workers were portrayed as a source of national pride and an engine of entrepreneurship, import-substitution, and modern sector development in Kenya (King 1996; Robertson 1997b).<sup>13</sup> The *Kenya Times* stated, “Once the sheds are completed, the mechanics would be properly organized so that their skills could be harnessed to the mainstream of the country's in-

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<sup>12</sup>Officially, *jua kali* referred to metal artisans and small manufacturers who were almost entirely male. This term did not carry over to produce traders or hawkers, who were mostly female. Through the identity creation of *jua kali*, the government transformed the ILO's call for more positive attitudes and policies towards the informal sector into a gendered legitimization of male-dominated small-manufacturing enterprise. In later decades, other sub-sectors of informal work attempted to co-opt the terminology to apply broadly to the whole informal sector, in order to reap the benefits of *jua kali* policies (Ferrara 2002:67).

<sup>13</sup>See Elyachar (2005) for a comparative analysis of this meta-narrative in Cairo.

dustrial development” (20 November 1985 in King 1996:1). According to the popular perception, small manufacturers intrinsically had the characteristics for successful contribution to national development, they simply needed to be *properly organized* to realize their potential. Workers were increasingly treated as an object of national development and not a subject with their own agency. However, other sub-sectors of informal work were not included in Moi’s positive conceptualization of *jua kali*, finding their work continually repressed and denigrated by government police and the popular sentiment alike. Thus, policies stemming from Moi’s administration had serious consequences for the formation of a collective identity for informal workers.

### **Education Reform**

Moi solidified the normative categories of productive and unproductive informal work through institutional reform. In particular he used educational reform and assistance programs to imbed this new social category into Kenyan culture. Along with the organizational restructuring of the system from 7-4-2-3 to 8-4-4,<sup>14</sup> there was a fundamental substantive shift towards emphasizing skill and attitude preparation for self-employment (Haan 2001). Pre-vocational training in Art and Craft, Business Education, and Home Science, entered the primary school curriculum in 1986 (Ministry of Education 1994).

Positive portrayals of self-employment were incorporated into optional and required subject areas of primary education including English and Social Studies (King 1996; Haan 2001). For example, a Standard Five Social Studies primer published in 2003 portrayed *jua kali* industries as a legitimate option for employment in Kenya. It emphasized the utility of small-scale manufacturing in making basic goods needed by other

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<sup>14</sup>The previous education system was based on the British system and required seven years of primary and junior secondary school, four years of middle secondary school, two years higher secondary schooling and a minimum of three years in University. The current education system, adopted in 1985, requires eight years of primary, four years of secondary and four years of university (Ministry of Education 1994).

people, contributing to import substitution, keeping prices low, and clearing urban areas of discarded metal.

The government encourages the establishment of Jua Kali industries due to the following reasons: a) Jua Kali industries are seen as a good opportunity for self-employment to thousands of school leavers who are not trained in any skill. b) There is plenty of scrap metal mainly in the urban centres, which would otherwise be useless. ... d) In order to save the country from spending a lot of foreign exchange importing various items, Jua Kali industries are encouraged to make some of these items locally. ... Jua Kali industries are established to make available goods that are cheap and can be found in many parts of the country (Omwoyo and Oyaya 2003:132).

A Standard Eight English Primer dedicates an entire chapter to “The Jua Kali Artisan,” emphasizing positive attributes of artisans by portraying them as hardworking, honest, wise, thrifty, polite, efficient, and successful (Jomo Kenyatta Foundation 1987). King (1996) provides similar excerpts from primers in the 1990s.

Soon you will be leaving primary school. You will have to decide what to do. There are many possibilities: 1. Self-employment ... To be self-employed, you need to have courage and skill. You need to work hard. However, many people enjoy working for themselves, being their own boss. ... Find out what small businesses are needed in your area (Berluti 1985 in King 1996:165).

All that one needs is to be organized either as an individual or as a group and start a business. You do not need to stay idle in your father’s house simply because you have no job in which you are paid regularly. You should actively keep yourself busy by engaging yourself in one of these activities. In other words, when you finish school, the question should not be: WHO WILL EMPLOY ME BUT HOW WILL I EMPLOY MYSELF? In many cases, you will find that self-employment is more paying than being employed by another person (Gatama 1986:66 in King 1996:164).

Applied skills, including woodwork, metalwork, building construction, power mechanics, drawing and design, leatherwork, and motor mechanics were incorporated as optional subjects for secondary students to improve their preparation for self-reliance

enterprises or vocational training institutes (Haan 2001; Ministry of Education 1994; King 1996). Training for entrepreneurship also increased at the post-secondary level through a masters program at Jomo Kenyatta University of Appropriate Technology and a higher diploma course at the Kenya Teachers Training College (Haan 2001).

Education reform helped to manufacture consent over the physical and normative separation between traders/hawkers and the *jua kali*. The new discourse praising *jua kali* workers was embedded in the revised textbooks and curriculum, making it easy to accept the reformulated identity and social position as “natural.” Now the government just had to make sure this new social category lived up to its new social identity and the transition would be complete. The KANU government under Moi completed this task by encouraging an increase in *jua kali* assistance programs.

### **Assistance Programs**

Beginning in the 1980s, government funding for public goods was beginning to be reigned in by fiscal reforms under adjustment policies instituted by the IMF and World Bank. Thus, the private sector was encouraged to fill in the gap by training small-businessmen. In 1986, the Kenya Management Assistance Program (KMAP) was formed to give top and middle managers one free day per month to provide advice to smaller enterprises (Standard, 13 Dec. 1989 in Himbara 1989:229).

The massive expansion of the Institutes of Technology, Technical Training Institutes, and Youth Polytechnics (YPs) in the 1980s represented public and private attempts at small enterprise development (Haan 2001). Training centers under the control of the National Youth Service, YMCA, and other NGOs or for-profit firms provided additional opportunities to school leavers. In 2000, fees ranged from Ksh 4,000 to 10,000 per

year for the YPs to Ksh 51,000 per year for the National Youth Service, despite partial subsidization by the government (Khasiani 2000). These costs put this additional training out of the reach of most poor people, which perhaps explains why the majority of entrepreneurs in Kenya still used apprenticeships to small firms as their main form of training (Haan 2001). YPs constituted the second most popular way to get practical training. Originally run by the National Christian Council of Kenya, the YP program was taken over by the government in 1971; however, the program was expected to become self-sufficient and government funds for teachers were withdrawn. The program faltered and over 75 percent of graduates did not become self-employed. A similar fate befell nearly all other training programs, in part because training and policies on informal work were not harmonized but instead scattered across different government ministries and programs (Haan 2001; Khasiani 2000).

To help consolidate programs and address *jua kali* development, President Moi formed the Ministry of Technical Training and Applied Technology (MTTAT) in 1988. It was tasked with supervising the Jua Kali Development Programme and for developing the Jua Kali Artisan Identification card. Ultimately, this card established the artisans' work as legitimate and provided them with a base from which they could obtain future rights such as tenure, land, sheds, title deeds, or loans (King 1996:24).

In the 1990s, the World Bank funded the Small Enterprise Training and Technology Project (MSETTP) to construct a private market for training through a voucher system. Built on a previous model launched in Paraguay and Peru, this World Bank project targeted small-manufacturers (SSEs) with "the expectation that they potentially have a larger role to play in future employment and economic growth than enterprises in retail/commerce ... their demonstrated sustainability and potential for expansion makes them the ideal beneficiary group if the objective is to get the most "bang for the buck"



in terms of sustainable employment and income growth (Riley and Steel 2000). Ignoring the fact that this “productive” sub-sector of informal work had been created through a historical confluence of government favors and direct interference, the World Bank supported the notion that small-manufacturers were inherently more productive than traders. The World Bank did also support a few women’s small enterprises as a form of poverty-reduction; however, the prerequisites to enter the project, including filling out an eight-page application and obtaining fixed business premises, were certainly not feasible for a large number of low-income entrepreneurs (Riley and Steel 2000; Goldmark 2000). Moreover, the prerequisites did not acknowledge that the government routinely destroyed the business premises of traders, precluding their ability to construct permanent structures.

Thus, the transition was complete; small manufacturers were moved from the periphery to the center of national development by the propagation of discourse rooted in modernist dualistic conceptualizations of labor markets. At the same time the *jua kali* were receiving this support, hawkers and traders were facing increasingly repressive measures to control their livelihoods, as will be discussed in the following section.

This section reviewed the history of trade and small enterprise in Kenya and discussed how colonial and post-colonial power, discourse creation, and regulations affected the particular organization of work found in Nairobi. As evidenced in this section, the informal sector was constructed through government intervention in the form of various regulatory controls over labor and discourses to privilege the interests of those in power. In the post-colonial period, the Kenyan state manufactured consent for their policies by embedding new terms within education programs to make them seem “natural,” and by providing regulatory structures to support the physical needs of the new social category of *jua kali*. The following section will discuss the coercive strategies

exerted by colonial and post-colonial administrations when consent-based policies were not effective.

## **5.4 Physical Violence and Spatial Control**

Government policies in Kenya have not simply created a dominant discourse about informality, they have also initiated physical violence and battles for spatial control since the 1920s. Property destruction inside and outside marketplaces was rampant and arbitrary through the 1990s. Gichira (1991) reports that all local authorities interviewed in his study reported forcibly removing informal sector workers without providing an alternative site for their livelihoods. Likewise, 47 percent of informal sector workers had received serious fines between Ksh 500–3,000 and 15 percent had been imprisoned from one to three months when they returned to the original site to reinstate their enterprise.

In short, the colonial and post-colonial governments in Kenya emphasized the need to control traders, first through pass laws and later by forcing them into government-established marketplaces. The most recent application of this latter policy came in March 2008 when hawkers were evicted from the Central Business District (CBD) and forced to move to Muthurwa Hawkers' Market. The following section will trace the history of physical repression and battles for spatial control in marketplaces and discuss different strategies informals have taken in response, including retaliatory violence, protests, and forming associations.

### 5.4.1 *Effects of Colonial Repression*

The first mass mobilization of African workers in Nairobi occurred in the 1920s in reaction to an attempted wage reduction by European settlers affected by the global decline in agricultural commodity prices. Protest meetings and strikes occurred that helped to unite different ethnic groups to form the East African Association (EAA). The colonial administration was quick to suppress the organization and in 1922 arrested and exiled Harry Thuku, a young Kikuyu leader in the EAA. The popular reaction was swift and within hours a general strike was initiated that quickly showed Europeans how much they depended on African's for social and government services.<sup>15</sup> More than 7,000 African men and women gathered around the police station where Thuku was held, drawing a violent response from the encircled policemen (Wipper 1989:313). Policemen fired at the protesters, killing about twenty people thereby breaking up the demonstration and then enforced a curfew. African protesters withdrew to Pangani, while administration police surrounded the settlement. The EAA was banned and later Pangani was destroyed as a hideout for rebels, criminals, and spivs. In 1937, a large number of unemployed persons (many of these itinerant hawkers without licenses) were removed from Nairobi and sent to Native Reserves as part of the administration's policy to "clean-up" and control the city (Furedi 1973:278–280).

From the 1940s onward, marketplaces in Nairobi became sites not only of material trade but also of political and social protest for informal workers. Early on, traders formed small associations based on commodities such as cobblers' and banana sellers' guilds. Shortly thereafter, the first large-scale organization, the 4,000 member United African Traders Association formed to advocate for the interests of traders, especially against competition from encroaching hawkers. This all-male group protested against

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<sup>15</sup>See Wipper (1989) for an extended discussion of the role of women in the protests against Thuku's detainment.

unfavorable by-laws, decried the increasing use of licensing to control movement and commodities, and complained about competition from hawkers to the Nairobi Acting Town Clerk.<sup>16</sup> The African Workers' Federation was founded in 1947 as a radical combination of nationalist politics and trade union agitation but was quickly disbanded when its leader was exiled and police violence was threatened if the workers were to strike (Furedi 1973).

The repressive measures increased in the late 1940s and into the 1950s as the Land and Freedom Army's (LFA) urban front took refuge in the crowded and confusing corridors of the marketplaces whose names bring to mind the loss of lives in World War I and World War II for the British empire with little benefit for Africans.<sup>17</sup> In particular, the group *Anake wa 40* (The Forty Group) formed a populist opposition movement composed primarily of young male Kikuyu in Nairobi.<sup>18</sup> The *Anake wa 40*, the urban arm of the LFA, supported violent measures to support their nationalist goals, used oathing and intimidation to maintain loyalty, and found protection from the police within marketplaces and African settlements. In 1947, policemen who were part of an operation to "mop up *spivs*" were attacked by stone-throwing traders in Shauri Moyo Market. When the police attempted to arrest these stone-throwers, a crowd of enraged Africans rescued

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<sup>16</sup>Partly because of these actions, male traders received the majority of trade licenses, leaving women to face harassment for their illegal activities.

<sup>17</sup>Two of Nairobi's oldest African markets Kariokor and Burma both provide insight into the relationships between the colonial draft, land dispossession, and the rise of marketplaces. Kariokor was named after the World War I veterans who served in the Carrier Corps — a unit under the British flag that carried goods but not guns in the campaign in German East Africa. Many veterans were Kikuyu who returned home to find themselves without land. They were given housing in dormitories near the current-day marketplace and many began their own small enterprises in the vicinity, eventually forming Kariokor market, which still exists today (Hay and Harris 2007). Burma market was named for the African soldiers in the King's African Rifles that fought the Japanese in the Burma Campaign of World War II (King 1996).

<sup>18</sup>*Anake* is literally translated as "warrior" in Kikuyu, however more common interpretations of *Anake wa 40* are The Men of Forty or The Forty Group. Forty was a reference to 1940 when a significant number of males (particularly Kikuyu) were drafted to fight for the British empire. The resentment for being pressed into service and losing their traditional land to fight for ideals not their own was a strong motivation for this militant group. Oathing was a traditional part of Kikuyu culture, radicalized in the 1940s by encouraging men and women to show solidarity for the nationalist cause by reciting an oath of allegiance and sometimes drinking/licking goat blood. Used both by *Anake wa 40* and the LFA.

the assailants and attacked the police. In retaliation, the colonial administration implemented new laws in 1949 to further limit trade and control its spatial distribution. The Voluntary Unemployed Persons Ordinance was passed in an attempt to eradicate “*spivs*” from Nairobi. Hawkers were forced to find space in the legal marketplaces or face deportation. Many of the associations that had been formed during the relative calm of the 1940s disbanded when their members either were deported or forced underground (Furedi 1973; Robertson 1997b, 1993).

The colonial government continued to exert its power in coercive ways. Cracking down on working class opposition, the colonial police arrested two leaders to the East African Trade Union Council in 1950. Africans, particularly those affiliated with the *Anake wa 40* in Nairobi were outraged and instituted a general strike that lasted for several days. To end the strike, the administration police used a brutal display of force against Kikuyu traders, hawkers, and the squatters. This crackdown, paired with an alliance formed between the colonial government and Luo loyalists (many of whom were government workers) who refused to join or support the strike, increased ethnic tensions in Nairobi. The government also tried more subtle measures of placating the populace through wage increases and other small concessions. However, the movement had already begun and the British soon had a violent independence movement on their hands.

The catalyst for the declaration of a state of emergency came in 1952 with the ratcheting up of violent subversive activity by the *Anake wa 40* in allegiance with the Land and Freedom Army (LFA) movement in the Central Highlands. Nairobi African Advisory Council member, Tom Mbotela, who was widely viewed as a loyalist collaborator, was fatally attacked near Burma marketplace by members of the *Anake wa 40*. These urban freedom-fighters disappeared into the marketplace for protection (Furedi 1973).

Shortly thereafter, a state of emergency was declared in Nairobi, traders detained, and Burma was burnt to the ground.

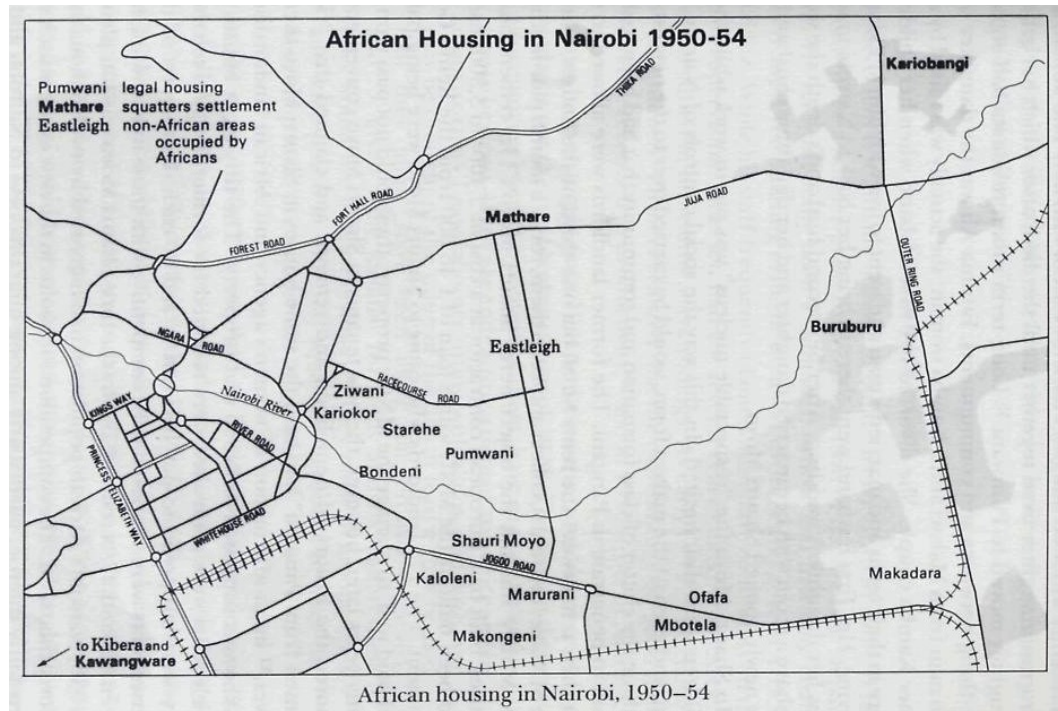


Figure 5.3: African Housing in Nairobi during the Emergency  
*Source: White (1990b:137)*

As the colonial administration began to feel its hegemonic power challenged, they increasingly turned to violence to maintain control and root out “dangerous” elements of society. In 1953, 600 market stalls at Kariokor Market were destroyed by police, who suspected the market to be “a black spot and a gathering place for spivs [Suspected Persons and Itinerant Vagrants] and thugs” (Robertson 1997b:124).<sup>19</sup> Later that year, more stalls were destroyed at nearby Shauri Moyo market and houses in the African settlement of Mathare Valley were razed, making some 7,000 Africans homeless. The African population fought back against the brutal demolitions leading the District Commissioner of Nairobi to report in 1954 that,

<sup>19</sup>Hawkers and itinerant trades were increasingly referred to by the derogatory term *spivs*, which showed they were popularly understood as being unemployed, poor, dangerous vagrants.

Large scale operations proved ineffective against the weight of numbers and the city was permeated by gangsters and other undesirables supposedly in unemployment. . . . Though extra troops were drafted into the city, crimes of violence persisted and it was clear that even more drastic measures were imperative if the Kikuyu preponderance and virtual control of the African and much of the Asian areas were to be combated (Furedi 1973:285).

In response to the DC's call for more drastic measures, the colonial government launched Operation Anvil, a massive military operation aimed primarily at removing Kikuyu, Embu, and Meru (KEM) from Nairobi. In April 1954 alone, 24,000 KEM were forcibly removed from Nairobi and interned in the "Reserves." African housing was reorganized by tribal affiliation (as recorded in the pass books) to physically separate loyalists from the locations where dangerous LFA philosophies were disseminated and to more closely monitor the remaining KEM (Furedi 1973). The only legal African marketplaces in Nairobi were closed several times throughout 1954, while Duke Street Market was burned to the ground and never rebuilt. Virtually the entire marketplace at Kawangware, nearly all Kikuyu businesses, were closed, many of them permanently.

Urban non-loyalist African's protested the Emergency restrictions by successfully boycotting European beer, the municipal bus service, and loyalist businesses. Kenyatta and the Kenya African Union (KAU) favored non-violent methods while the *Anake wa 40* members did not hesitate to react violently (Furedi 1973).<sup>20</sup> In 1955, two Homeguards were assassinated at Kariokor and all KEM shops were forced closed for three months in retaliation. While the number of traders in the marketplaces was steadily decreasing, government revenue was increasing, indicating a significantly higher taxation rate that was being enacted as a control measure (Robertson 1997b).

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<sup>20</sup>The KAU was formed in 1944 by a group of young, educated, elite Africans (primarily Kikuyu) who wanted independence to be granted through constitutional reform - a much slower process than violent revolution. The *Anake wa 40* was much more populist and revolutionary; its base of support came from the marketplace and the underclass and they did not hesitate to use violence to fight for an improved quality of living for the dispossessed. Ultimately, the elitist KAU, transformed in the Kenya African National Union, (KANU) became the ruling party at Independence (Furedi 1973).

When the Emergency ended and the LFA (*Mau Mau*) had been routed, previously expelled Kikuyu traders flooded back to Nairobi and immediately rallied against the already weakened colonial administration. In 1960, the First Hawker War erupted as hawkers retaliated against the forceful destruction of their enterprises and attempts to control their movement, by throwing stones at police officers and resisting arrest (Robertson 1996). Hawker collective identity was beginning to form and around this time, three major hawkers' organizations were formed — the most powerful of which was the Nairobi Hawkers and Traders Association. The association wrote petitions, held protest marches, engaged in physical altercations with authorities, and boycotted designated markets in order to publicize their demands for secure selling space on their terms, an increased availability of licenses, the elimination of police brutality, and the reduction of bureaucratic barriers to small businesses.

According to the Crime and Incident Reports from the 1960s, police conducted widespread arrests, but their violent tactics often drew the ire of the surrounding traders and hawkers, who then attacked the police. Women's involvement in these protests seemed to either be lacking or unreported since none of the protest letters was signed by a woman, and no women were included in arrest reports from this era (Robertson 1997b). However, Rosberg and Nottingham (1966:55) suggest that Kikuyu women during this era were active in protecting their interests when necessary. United against a superordinate structure by formal associations, hawkers and traders were able to fight for their livelihoods. Ultimately, they formed an essential component of the Independence movement by inciting ire in the general population at the colonial administration's continued use of brutal force.



### **5.4.2 *Reactions to Post-Colonial Repression***

The joy of independence was short-lived for traders who saw few improvements in their lives. Informals attending “The Nairobi Hawkers and Traders Association meeting on January 12, 1964, objected to new regulations requiring them to move to newly designated open air markets where they would have to pay a daily fee of seventy-five cents and would be allowed no permanent infrastructure” (Robertson 1993:19). Traders rebelled against the forced spatial consolidation, threatening to stage a sit-in at the Police Commissioner’s office if their demand for more licenses and freedom of spatial location were not met. These associations became politicized as the government sought to secure support through patronage. Licenses were distributed preferentially, most going to the exclusively male leadership of these associations, perpetuating the gendered Colonial understanding of female informal work as illegal, petty, often immoral, and survival-oriented (Robertson 1997b:143).

During this time, the new administration strongly supported the demolition of squatter settlements and kiosks erected by informal workers. Obudho and Aduwo (1989) report that nearly 39,000 squatters were evicted from Eastleigh and subsequently the City Council destroyed 6,733 structures in 1970. Soon after, more property, most of which belonged to informal traders, was destroyed along the Nairobi River. Not only did the City Council impoverish ordinary Kenyans trying to make a living, they also created a class of bitter and angry people with very little to lose. Ultimately, the fear of class mobilization paired with increasing external pressure from the World Bank, USAID, and the ILO, led the government to adopt less violent measures to “control” informals (Obudho and Aduwo 1989).

In the 1970s, the government shifted its attention away from hawkers and traders, leaving them in relative peace. Although the Nairobi City Council’s (NCC) discrimi-

natory by-laws remained and hawkers were confined to government-run open-air markets, less physical violence was directed at traders. New open-air marketplaces were constructed, offering more traders a more secure place from which to operate; however, recommendations to allow traders to build their own permanent premises over time were rejected. The Hawkers and Licensing Sub-Committee of the NCC began reviewing the by-laws and making a few concessions. Female hawkers were not to be harassed and the number of licenses was increased to 5,000.<sup>21</sup> As a result of the more compassionate approach by NCC, the associations that had made so much headway in the 1950s and 1960s began to deteriorate.

This softer touch evaporated in the 1980s, when President Moi faced a coup attempt and policies privileging the small-manufacturing sub-sector were subsequently enacted. Due to the government's enthusiasm about *jua kali* and the ILO's report encouraging the registration of small-enterprise associations, numerous new *jua kali* organizations sprouted. In addition to marketplace-based organizations, such as the Gikomba Jua Kali Society and the Kamukunji Jua Kali Association, national-based associations such as the Kenya National Jua Kali Federation,<sup>22</sup> Kenya National Jua Kali Organization, and the Jua Kali and Kazi Cooperative Union (Kenya) Limited, were registered (King 1996; McCormick 1998). Despite this rise in the number of associations, Britain's aid office, the Overseas Development Administration, commented that along with being weak and politically motivated, "some *jua kali* associations may not be equipped to engage in effective advocacy or to represent the interests of their members" (ODA 1994b:73 in King 1996:41). While the small-manufacturing subsector saw a reduction in harassment during this time, small-scale traders were beginning to face significant but arbitrary police harassment. This was driven in part by macro-economic policy reforms that

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<sup>21</sup>This allocation would remain until 1987, when it was again increased. However only a small percent of licenses (18.7 at City Market) was allocated to women at this time (Robertson 1993).

<sup>22</sup>For an excellent discussion of the history of *jua kali* organizations, and their relationships with the government through MTTAT and the World Bank through the Voucher Program see King (1996:34–38).

reduced wages, free social services, and the size of the civil service, making bribes and confiscation an essential component of police wages.

During the 1980s, widespread oppression occurred in Nairobi to stem the tide of dissent with Moi's dictatorship. State-sponsored violence was directed toward any perceived opposition, including the *Daily Nation* newspaper, the *Financial Review* magazine, MPs who disagreed with Moi, the National Council of Women of Kenya (NCWK), traders selling "subversive" music, and poor people who were likely to create uprisings in the capital (Reuters 1990; Ozanne and Holman 1990; Ress 1989; Henry 1989). These crackdowns extended to marketplaces, which were seen to be havens of crime and opposition organizers.

In 1988, a group of female dried staples traders, tired of having their premises and goods destroyed by police, asked the District Officer and local chief if they could construct more permanent facilities. Permission was granted and they quickly erected wooden kiosks with *mabati* (tin) roofs. Within a month, the NCC police razed the premises, making sure to perforate the *mabati* sheets to render them useless in the future (Robertson 1996:265). After this betrayal and coming after the hundreds of other arbitrary raids just like it, 300 women marched to the Nairobi Provincial Commissioner's Office in protest of the harassment and destruction of property they faced at the hands of NCC police. Although their demands were not met that day, this event provides evidence of a rising militant female underclass that was missing from the First Hawker War.

In July 1990, the marketplaces again became the site of political demonstrations. After *Saba Saba* (7<sup>th</sup> of July), a pro multi-party government rally in Kamukunji (near Gikomba and Shauri Moyo) that was violently shut down by government police with tear gas and firearms, hawkers and traders joined in rioting for a multiparty political

system. They believed only this step could reduce the random violence they were facing and make the government accountable to its citizens. The police were instructed by the government to “use whatever force was necessary” to quell anti government riots (The Globe and Mail 1990). Hundreds of people were detained, including international journalists, while “riot police used clubs and firearms to clear open-air markets, where rioters burned vehicles and used boulders and burning tires to build roadblocks” (The Globe and Mail 1990).

To this end, brutal destructions of marketplaces and informal housing sites occurred through the remainder of 1990. In October, all marketplaces in the city center were destroyed, including Gikomba, no more than a few months after the Minister of Local Government had prohibited the demolition of squatter and trader premises (Robertson 1997b:267). Riots broke out in the streets and traders and hawkers resisted the NCC police by throwing stones, constructing barricades, lighting bonfires, and fighting hand-to-hand. King (1996:33) describes the harsh treatment and forced destitution of over 50,000 people as follows, “The authorities feared the danger posed by the hawkers and slum dwellers and responded, in the last quarter of 1990, with the most brutal demolition of slum areas and informal sector business ever witnessed in the country. ... For many, the magnitude of the brutality and the style of demolition discredited the declared government policy of making the informal sector play an enhanced role in the economy (Ikiara91a:316).” The government purposefully targeted hawkers and traders, treating them as invaders of public space, criminals, and deviants. Moreover, they subjected them to the uncertainty and fear of losing their goods and premises at any moment for any arbitrary reason.

The government was beginning to realize the potential of class-consciousness among a poor, disenfranchised, spatially unified group, and resorted to extreme methods of



Figure 5.4: Kiosk Demolition  
*Source: Daily Nation (2007a)*

control, using violence and force in the months following *Saba Saba*. But the militancy of the traders united with other oppressed groups unsettled the government. To reduce the class-consciousness that was developing among the poor and moderately wealthy in Nairobi, President Moi took the opportunity to favor the traders by dedicating a new marketplace — City Park Hawkers' Market. This appeased the trader/hawker contingent that was violently forced out of the CBD and other marketplaces only months earlier. The government recognized that these were only stop-gap measures to the problem. For one thing, the capacity of official marketplaces only reached 7,000 traders, far short of the estimated 105,000 that operated in Nairobi (Akoten 2007). The government realized they needed to implement other strategies (e.g., fomenting ethnic divisions) to keep a working class from forming, uniting upon their interests, and overthrowing the elite.



Figure 5.5: The Construction of Muthurwa Hawkers' Market  
*Source: Daily Nation (2007f)*

Trader and hawker issues have remained at the core of urban politics. Shortly before the December 2007 election, hawkers were suddenly targeted for eviction from the CBD. The government used force to drive the hawkers out, inflicting the most damage upon handicapped hawkers who could not move fast enough to escape the violence (Inter Press Service News Agency 2008). Hawkers protested the move and the structure of the new market, arguing that in 2003 they were given permits that allowed them to hawk in CBD alleyways. The hawkers rioted and the government relaxed the eviction in hopes of keeping the votes of this constituency (Orlale and Mathenge 2008). In addition, the government stepped up the construction of a new marketplace on the edge of the CBD to placate hawkers and assure their vote. In March 2008, all hawkers in Nairobi were forced into the spatially controlled and NCC monitored market of Muthurwa.



# Nairobi hawkers take to the streets



Police officers charge towards hawkers who held demonstrations to protest against their eviction from the Nairobi city center on Wednesday. Photo/CHRIS OJOW ( Nairobi)

Figure 5.6: Hawker Demonstrations over Forced Evictions from the CBD

*Source: Daily Nation (2009a)*

The forced movement of hawkers in March led to more riots among those who could not find a spot at the over-crowded Muthurwa or preferred to remain in the CBD (Orlale and Mathenge 2008). The police used tear-gas and batons to prevent hawkers from marching to protest the move in front of the office of Uhuru Kenyatta, the Local Government Minister. This time the government did not relent and all hawkers and traders were physically expelled from the CBD. However, by mid-2009, many of the most resilient hawkers had returned to the back alleyways of downtown, reopening their shops to cater to businessmen and tourists in the CBD. The local government conducted a sweep of hawkers in the CBD in June of 2009, using physical force to coerce them into relocating their business elsewhere. Hawkers demonstrated in the streets, setting tires on fire and

violently confronting baton-wielding police. This pattern of violence and forced relocations punctuated by periods of concessionary policies are expected to continue until the government recognizes the spatial needs and legitimacy of traders. Non-violent contestations and the recent mobilization of hawkers and traders to create alliances that build awareness and lobby for their political rights will be discussed in the following chapter.

## **5.5 Conclusion**

Gramsci emphasized the complex negotiation States must endure to simultaneously maintain the base as a source of power and fracture it to prevent it from uniting and overthrowing the current regime. In this way, colonial and post-colonial regimes in Kenya paired mechanisms of consent and coercion to “maintain the acquiescence of the subordinate” and divert attention away from class interests or mobilization (Gramsci 1971:263). While hawkers and traders rioted, formed small associations, and wrote petitions to oppose unfavorable government policies, they were often pacified by small government concessions that maintained the status quo. As a result of the successful negotiations by the administration, traders were too fractured to resort to anything more than spontaneous expressions of discontent with government policies.

Gramsci’s idea of resistance as a grand moment of revolution where mechanisms of power are used against the ruling class seems unlikely in the authoritarian State form present in Kenya. Traders have resorted to violent and non-violent measures with little lasting impact. Instead, Foucault’s musings about resistance that occurs in everyday relations speaks loudly to the case of informal workers in Kenya. Some rejected the external struggle for recognition, while others contested the underlying attitudes and perceptions in diverse and creative ways that will be explored in the following chapter.



## CHAPTER 6

### INFORMAL CONTESTATIONS OF POWER

The previous chapter applied Gramsci's mechanisms of manufacturing consent and exerting coercion to gain and maintain power to the case study of Kenya. Informal workers were not singled out for domination by the various administrations in power. Instead, the control of informal work, as one of the larger labor market strata, formed part of the administrations' overall multifaceted strategy of maintaining power. Building on this discussion, this chapter explores the effects of power on retailers in Kenya. In particular it looks at local understandings of informal work that are in opposition to externally created notions. The second part of the chapter analyzes whether attempts to manage the identity formation of informals combined with the use of force to control the spatial dimension of informality as delineated in previous chapters, have affected the ability of workers to see themselves as a united social class or category. Finally, this chapter explores whether the forms of contested identity presented in the first section can create a base for the social mobilization of informal workers, the indicators of which are derived from a case study of the women's movement.

#### **6.1 Perceptions and Contestations**

A discourse analysis of Durban newspapers revealed that traders know that they are seen as the "other," criminals, a cause of pollution, and a barrier to economic growth (Popke and Ballard 2004). Street traders in Mumbai show an awareness of how they are perceived as outsiders, nuisances, and unsanitary (Anjaria 2006). Although there is scant research on traders self-perception, these examples suggest that traders are aware of how they are perceived by society.

As highlighted in the previous chapters, retailers in Kenya traditionally have been viewed as unproductive, subsistence laborers, and urban scourges. Yet, many retailers reject these stereotypes, asserting that their work is legitimate and more moral, successful, stable, and organized than commonly perceived. Retailers are especially concerned that others realize that they are working hard to improve their lot in an honest manner. This section will explore retailers' contestations of popular perceptions of informal work.

### **6.1.1 *Illegitimate or Illegal Work***

The history of early trade in Nairobi presented in the last chapter highlighted the derogatory view of traders and hawkers (with the exception of those who provided cheap food to laborers). Under the Vagrancy Act of 1922, traders and hawkers were labeled *spivs* and removed from the town. During the Emergency, the colonial view of traders worsened as they were considered dangerous and potential accomplices of the LFA. The government tried to “obliterate the hawker population ... [based on] the presumed unsanitary methods of operation for cooked foods, general dirtiness, traffic congestion, the nuisance of traders' importunities to European housewives, and their assumed involvement in crime more serious than the elementary one of illegal hawking” (Robertson 1993:16–17). In the 1970s, a Kenyan researcher described the popular image of traders as “the poor [who] are thought of as potential trouble-makers, carriers of disease and social pariahs” (Mukui 1978:134 in Robertson 1993:23). Recently, the popular press equated traders and hawkers with the scourges of a pre-modern city: pollution, traffic jams, and noise (Munene 2007). City Council employees can often be seen demolishing kiosks with the justification that they are hideouts for criminals (Daily Nation 2007a).

Traders whom I interviewed resented such portrayals. In all marketplaces, retailers considered themselves *mufanya biashara* (a business-person) not hawkers, who were viewed by traders, especially those in Gikomba who had never hawked, as illegal, living at a subsistence level, and marginal. Several retailers I interviewed directly addressed popular perceptions of their work. Rebecca, a seller at Gikomba, said, “I’m not just simple the way you see me. ...I used to work in town but became tired of the work and the hours. This job is better for me and my family” (Gikomba 6.26.07). Naomi said, “This is a real job, not like making tea in an office. But people don’t recognize us as legitimate businessmen. They can think that these people don’t dress nicely or have any money when actually they are making more than them. They do see us as if we are nothing” (Gikomba 7.3.07). Retailers in marketplaces were also more likely to have licenses than itinerant hawkers (although only a small percent could actually obtain them due to bureaucratic issues). They felt this additional expense and hassle should legitimate their work in the eyes of others.



Figure 6.1: Itinerant Hawker in Nairobi

In interviews, retailers heralded the power of business to eliminate dependency and encourage self-reliance. They were proud of their business, while simultaneously recognizing that society did not value their work in the same way. Many would even encourage their children to follow in their footsteps and start a business:

It is better that [my children] choose business because business is self-reliant. Even if they are educated they can miss a job but business skills are everlasting (Interview 7).

I want them to choose business because it expands peoples' minds (Interview 173).

You can only be rich if you're in business but not in a white-collar job. [My children] should become independent. I love business. I cannot change from it; this is who I am (Interview 204).

I want all of [my children] in business; business gives independence. You can take care of yourself (Interview 129).

Traders were not romanticizing their position. They recognized the challenges of conducting such business, especially given their illegitimate and often illegal status under city council by-laws. However, given the drawbacks of formal employment such as arbitrary and sudden retrenchment, many emphasized the benefits of business for expanding horizons and fostering entrepreneurial independence. Far from relying on government hand-outs, small businesses were paving their own way to success in the city.

### **6.1.2 *Immoral Work***

As discussed in the previous chapter, urban trade was linked with prostitution in pre-colonial Nairobi because both jobs required the woman to leave her family and spend

considerable amounts of time alone in the city. Kikuyu men in particular resented this loss of control over their women and equated all female migrant labor with the immorality of prostitution (Robertson 1997b). With no opportunities for waged employment, women had to choose from the available options of trading, domestic service, beer brewing, prepared-food selling, and prostitution. Often women would engage in prostitution for its lucrative profits, switching to trade or other activities as they grew older and more established (Bujra 1975).

Nevertheless, the conflation of prostitution and trade has declined over the years as entire family units have migrated to Nairobi and trade by women became more legitimate when they could no longer remain housewives due to social service cuts in the 1990s. However, some female retailers still feel a negative moral stigma attached to their work. Esther stated “If a woman entered business in the past it was as if she was not a good woman. Men think women in business will start moving with men.” She continued, contesting this image of immorality, “Women come here to do their business, not to fool around. There are high stakes today, we must educate our children. Nowadays if you see a man with a housewife he is not using his head” (Gikomba 7.3.07). Especially since many of the female retailers are deeply religious (most are Christians, Muslims or syncretistic), they strongly reject the identification of trade with immorality.

Other associations with immorality beyond prostitution plagued early traders in Nairobi. According the Minister of Health of the colonial administration, in 1902 Nairobi was a town that “attracted the Native in numbers who quickly acquired all the vices and immorality his Eastern superiors could teach him, which he practiced with such terrible results to himself and the community at large” (Ministry of Health quoted in Robertson 1997b:12–13). Asians were considered immoral for their non-Christian beliefs and activities, including their “inherent love of filth, darkness and overcrowd-

ing” - characteristics that were passed on to Africans employed in their workshops. To some degree, this perception of African artisans engaged in the vices of the city, such as drugs alcohol, and petty crime, still remains. In general, open-air marketplaces are considered havens for criminals, drug runners, gun smugglers, and money launderers (Daily Nation 2008). While perhaps these activities do occur in marketplaces, retailers interviewed argued that the majority of people there seek an honest living. Although Mama Ken keeps a close eye on hawkers buying her goods, she admits that, “they are good people and hardworking young men who are making a living in a good way. They are not bad people and many are quite funny” (Gikomba 6.20.07).

### **6.1.3 *Unproductive, Subsistence Work***

Up to the 1970s, all informal labor had been considered unproductive and characterized by low incomes. The development of labor market theory in response to the ILO Report of 1972 crystallized support for a two-sector model for the “informal sector,” where in the unproductive and low-wage tier, “many people face such severely constrained options that the informal sector involvement can only be seen as their making the best of a bad situation” (Fields 1990:67). Traders are typically considered part of this subsistence sector and while there are retailers who struggle at a subsistence level, many I interviewed could point to tangible benefits that trading had brought them above and beyond a subsistence level.<sup>1</sup>

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<sup>1</sup>The majority of retailers interviewed who were struggling with their businesses had faced an extended calamity in life outside of business. Often such stories included an accrual of large hospital bills over a period of years. In the beginning *Harambees* were used to generate funds, but later on all business profits were subsumed by such costs, making the refreshing of stock difficult. Likewise, many of the young retailers who had low educational attainment grew up in difficult family situations such as being orphaned or raised in a very large family without resources. It is important to note that it was the extended period of shock that seemed to be difficult to recover from.

Measured by income, the majority of retailers interviewed made more than the minimum wage of similar formal sector work (UN-HABITAT 2006). Onesmus, a food retailer, pocketed between Ksh 1,000–2,000<sup>2</sup> per day after paying expenses such as restocking, rent, and water fees. Grace makes between Ksh 800 to 3000 per day, enough to send her five children to University (Gikomba 6.29.07). Naomi regularly sells enough mitumba (used clothing) to profit Ksh 2,000 — 3,000 per day (Gikomba 6.20.07). Other sources report similar findings. A hawker interviewed by the Daily Nation reported making between Ksh 2,000 and 5,000 per day — enough to allow him to buy a car and land; while another reported that he made 40 percent profit on his bale of jeans he purchased for Ksh 12,000 (Inter Press Service News Agency 2008; O’Callaghan and Juma 2009). The official government website about informal work highlights the story of a man who was working formally but making a low wage as an insurance salesman. He switched to selling eggs in Wakulima market reporting he would stick with this ‘informal job’ for “a long, long time. . . . Even if I was making a profit of a shilling an egg a day, I’d be making Kshs 3000 a day — Kshs 90,000 a month. It’s certainly more than even the most brilliant of my former classmates make now . . . and I make more than that” (Kimutai 2008).

Gichira reported that, “66% of informal sector operators are earning an income (i.e. net profit after all expenses) that places them in the average and above-average [wage] categories especially if compared with workers in the wage or salaried sectors. Only 13% of the respondents could be placed in the low-income categories. But when this group is compared with the urban poor, it illustrates that the informal sector operators are in fact among the ‘better-off’” (Gichira 1991:49). Akoten likewise reported that 75 percent of traders were non-poor and operated above the minimum wage of casual laborers (Ksh 3,905). He argued that “in terms of economic activity, retailers of secondhand

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<sup>2</sup>At the time of the interview the currency exchange was approximately Ksh 72 to 1 USD.

garments and of shoes and leather goods were associated with higher earnings than the retail of agricultural produce, which performed better than beer brewing, other manufacturing, repair of shoes and retail of fuel and charcoal” (Akoten 2007:8). According to a recent study conducted by the Nairobi Central Business District Association, the average minimum wage of street traders is higher than minimum wage and traders in the CBD hold a combined daily capital stock worth almost USD 1 million (UN-HABITAT 2006).

Whereas most studies look at the average monthly profits of business owners, measures of success must include the assets retailers have accumulated during good months, and the capital reserves in associations they have joined in lean months. According to multilateral policy in the 1990s, success in the informal sector is measured by “graduation” into the formal sector (Malick 2004; Becker 2004; Republic of Kenya 1992; Riley and Steel 2000). Yet, few traders interviewed reported considering this as a measure of success. Instead, they focused on indicators such as educating their immediate or extended family, improving their diet, buying land or livestock upcountry, buying a car, building a rural home, or finding a good house in Nairobi. The majority of retailers I interviewed who appreciated the business for the success it had brought them mentioned such indicators.

I started this business because I was just motivated by the success of other business ladies near where I stay. They were dressing well, eating well, and challenged me to change my life. I don’t regret the decision (Interview 125).

This is my future; through it I have educated my child and taken care of my parents (Interview 41).

I have educated myself with this business of cereals and am also educating my two children through this business (Interview 42).



I started without money and can see I have been able to do a few things at home. The small business has enabled me to buy a plot (Interview 126).

My life has changed because of this business. At home we have bought cattle from the profits (Interview 138).

Our generation is better — what I can do today parents could not; we are very far. Today I can afford to buy even a plot or a vehicle but it was very different for them. Even food has changed — before we couldn't eat meat but today we buy meat daily (Interview 171).

Through in-depth interviews with key informants I learned that Mama Jackie educated her four girls through university and sent her youngest daughter to boarding school. From her income, she was also able to educate several girls in her husband's family and buy a car for her husband to operate as a taxi (Gikomba 7.10.07). Eric moved his way up from an itinerant *mitumba* hawker to a seller in the high-profit "Expositions" in the CBD. He sells to wealthy customers, earning Ksh 1,500 to 2,500 for a suit originally purchased at Gikomba for less than Ksh 500. These profit margins have been enough to offset the costs of monthly rent at Ksh 20,000 and the annual license at Ksh 5,200 *and* allow him to save for bigger purchases (Gikomba 6.20.07). John commutes to City Park everyday from Kiambu, costing him Ksh 100 per day (3,000 per month). His stall rent amounts to Ksh 2,000 per month plus Ksh 25 per day for the City Council taxes. Not including restocking prices, his fees amount to nearly Ksh 6,000 per month. Yet, he finds the business profitable, so much so that he has bought a *shamba* in his home area and has sent all five of his children to school (City Park 6.19.07). It is no wonder that one retailer exclaimed, "With this business you can become a millionaire with time!" (Interview 53).

Photo-novella with retailers revealed that they did not consider their lives to be at a subsistence level. Life at a subsistence level is consumed with making enough money to eat and saving every penny for life expenses. Through pictures of their lives taken when

I was not around, retailers showed me that they valued activities outside of employment. They also saw their identity as not solely defined or determined by their current occupation. Even those who wished to remain in the marketplace valued activities not related to their occupation. Kariuki occupied a prime location at Kawangware, making a significant profit. The business was passed down to him by his mother, one of the original sellers outside the market, and he intended to maintain the business until he could pass it to his children. However, he also saw himself as a body builder, and used part of his profits and non-working hours to work out at a local gym. When asked to take pictures of things he valued in life, he took pictures of himself working hard at the gym and at his business (Kawangware 8.12.08).



Figure 6.2: Kariuki at the Gym

Damasen was a shoe retailer at Gikomba who was studying for his Certified Public Accountant exams. Although both he and his mother were long-term retailers in the marketplace, he was careful to construct his identity not only as a retailer but also as a student and a young, trendy person. Through several interviews he clearly stated that he

was not embarrassed about selling in the marketplace because he (and earlier his mother) earned enough in this occupation to pay for his high level of education. In addition, he had made good friends in the market and was happy working there. However, retailing used shoes was simply his job, not his life and he asked me to photograph him in his shoe-stall with a book to show his dual personality as a student and retailer. When asked to take pictures of things he valued in life, he took pictures of himself looking suave at Uhuru Park, several miles from Gikomba. Although his job and housing were located in Gikomba, he clearly did not see himself singularly defined by locality.

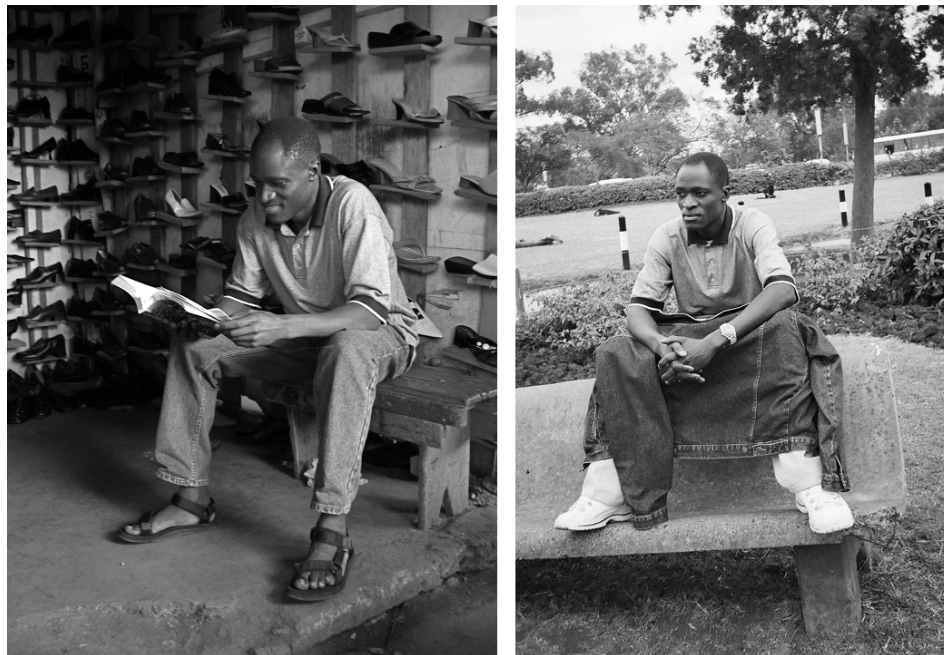


Figure 6.3: Damasen at Shoe Stall and in Uhuru Park

Other retailers, such as Mama Carol, emphasized the importance of social groups inside and outside of the marketplace and the value of these relationships. Mama Carol found support for her enterprise within the marketplace through personal and business friendships and association memberships. However, she also relied on external organizations, in particular religious institutions, for emotional and spiritual support. These external institutions also did a better job of incorporating her entire family who were a

significant component of her understanding of self. However, it is interesting to note that other retailers also recognized her primary identity as a mother, even if her family had never come to the marketplace. The second time I came to Gikomba to interview her, I became lost and asked a neighbor if she knew where “Ruth’s stall” was. The neighbor did not immediately recognize her given name and only when I used her “relational” name of Mama Carol, could she identify her neighbor. Like Damasen, Mama Carol saw her work in Gikomba as an occupation, not her entire life, that paid enough for her to care for and educate her children.

Historically, small-manufacturing was considered more growth-oriented because of the investment possibilities. For example, the 1987 IDS Consultancy Report argued that small-manufacturers have a less transitory stake in the informal sector than retailers “because they invest in permanent structures.” As discussed previously, the arbitrary demolitions that occur in marketplaces discourage traders’ willingness to invest in structures. Despite this fact, structures in these marketplaces can accrue a significant amount of value. Robertson reported that during the 1990 demolition of Gikomba, the *Daily Nation* printed a picture of a woman sobbing over her destroyed stall, for which she had just paid the council Ksh 10,000. Prices have only increased since then. Mama Wambui estimated that her stall space in Gikomba would sell for at least Ksh 250,000 today (Gikomba 6.4.08). Likewise, original owners of the allocated stalls in City Park often rented out their spaces to the tune of Ksh 8,000 a month. When a new market opened on the edge of the CBD two years ago, a complicated black market ensued with “gangs of outsiders” trying to secure blocks of stalls that they could then sublet surreptitiously to other traders (Wakulima 6.6.08).<sup>3</sup> From time to time, the government threatens to

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<sup>3</sup>One trader believed these outsiders to be part of the “Mungiki” gang. With more displaced hawkers than available stalls, the outsiders would sublet the stalls at a higher price than that collected by NCC (Ksh 100 per space). At first, they tried to keep their activities secret, but the hawkers could tell they were outsiders. The NCC *askaris* seemed to do little about the black-market, perhaps because they were getting significant kickbacks from the “landlords” (Muthurwa 6.08).

bulldoze Gikomba to build a high-rise office tower or an up-scale apartment complex, but that has yet to come to fruition (Robertson 1993). Clearly, the real-estate of traders is highly valued by multiple parties.

#### **6.1.4 *Unstable Work***

In many ways, informal labor is the epitome of unstable work. Workers receive no guaranteed minimum wage, no benefits such as health care or pensions, and have no title deed to land or premises. Promoting the obtainment of these and other securities has become a central component to the ILO's Decent Work campaign (ILO 2002). However, traders also claim that their instability allows them to be flexible enough to adapt to the changing global and local economy and thus offers them a measure of stability. At the same time, retailers rejected the notion that this instability was an intrinsic characteristic of their enterprises, arguing instead that it is a historically constituted reality.

Traders interviewed recognized the significant instability caused by arbitrary police raids, harassment, and the difficulty of getting licenses. Many commented that their business would be more successful without such events. In particular, retailers are frequently harassed based on the stereotype that they are unproductive, unclean and a nuisance. Municipal policy still refers to retailers as hawkers despite their increased stability and municipal police still treat traders as vagrants, transgressors, and criminals by confiscating their goods, demanding bribes, beating them, destroying stalls, and refusing to provide licenses.

Even after traders moved from the street to the marketplace, the NCC still referred to them as hawkers and refused to give them licenses due to their lack of permanence. These traders experienced more harassment and a higher likelihood of arbitrary destruc-

tion than traders who could obtain licenses. Traders were frustrated that the government did not recognize that many of them had been selling in the same place for years, differentiating themselves from the itinerant hawker. The following interviews conducted in 2007 and 2008 highlight these grievances that strike at the core of retailer identity.

NCC is not eager to license us because we are considered as hawkers (Interview 17b).<sup>4</sup>

The annual license is for those with permanent structures - we are treated as hawkers so they won't license us (Interview 46b).

They can't give us annual licenses because we're considered as hawkers so we must pay the more expensive weekly payments (Interview 78b).

We pay daily taxes because the government stopped giving us annual licenses. It was better then because we could struggle and get a lump sum and stay for a whole year without being harassed (Interview 45b).

City Council is a menace here (Interview 138).

Retailers, such as Moses — a used shoe seller in Gikomba, argued that he would have erected a more permanent structure if he had been permitted by the NCC and guaranteed that these structures would not be destroyed by the council (Gikomba 6.20.07). Another respondent stated, “Before, everyone had their own space to put up their goods but now we have to keep on running away because of harassment from the city council” (Interview 56). A number of retailers also dreamed of expanding their businesses or opening additional locations but feared to take out a loan because of the potential for arbitrary destruction by the council. A respondent in City Park lamented, “My biggest limitation to expanding this business is that the City Council guards kick us around; it is very tiring” (Interview 133). Indeed, it must be tiring to constantly receive social

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<sup>4</sup>Interviews denoted with a ‘b’ following the interview number are from the 2008 survey. All other interviews occurred in 2007.

indicators that tell you that your status in society does not deserve respect or recognition. Without recognition by the government and society in general of the stability and contribution of these enterprises, traders faced discrimination in finding loans, were limited in expansion, forced to pay the more expensive daily tax, and subjected to more harassment by virtue of their inability to obtain a yearly license.

Despite these challenges, over half (60 percent) of the survey respondents stated that they would prefer to remain in the informal sector. James, a fruit seller at Kawangware, told me, "It is like lions and goats. The goats will graze on land but when the lion comes, they will run. As soon as the lion leaves, the goats will return to the same land! It is the same with hawkers. They may be chased by the City Council but they will return when the *askaris* leave" (Kawangware 6.25.07). Informal work is valuable and despite the interruptions from City Council, traders will return to their same spots. This informal land tenure adds another layer of stability to informal work.

Many retailers interviewed openly stated that they would prefer to expand their enterprise over entering wage employment because of its consistent profits and ability to adapt to the economic and physical climate. Lucy, a retailer in Kawangware responded to my question about why she sold fresh vegetables, "People must eat. There's always a market for food. Shoes and clothes? You can even make them last another month" (Kawangware 7.9.07). David, a *mitumba* in Kawangware changes his clothing selection depending on the season to meet the needs of his customers. Another retailer explained to me that his "business brings quick returns. I would like to expand this business into another market but not switch to formal employment" (Kawangware 7.9.07). Other retailers suggested that they liked working in the market but would switch to other goods, such as Chinese goods from Dubai, if the prices of *mitumba* bales continued to rise (Gikomba 07.01.08).

Another retailer in Gikomba emphasized the importance of ownership and personal freedom, “I would like to continue selling here because I love what I do. I make good money just like someone in an office. . . . and I have control over my business” (Gikomba 6.20.07). In part, this notion of self-employment is linked to the history of race relations in Kenya, where working in the “formal sector” often means working for a European or Asian. Indians are widely viewed as extremely harsh managers, and few Kenyan’s expressed an interest working in their factories. Another component of this response appears to be the increased instability in the formal sector caused by liberalization. As discussed previously, several key labor market reforms were implemented in the 1990s in Kenya, including a restriction of unionization, the introduction of retrenchment, and the removal of minimum wages. Although minimum wage laws have been reintroduced, retrenchment remains embedded in wage employment. Several interviews revealed the instability caused by retrenchment.

I used to have poor earnings and get retrenched frequently. Now in my business I’m the boss. . . . I have no problems here (Interview 160).

I was retrenched in 2003 with no benefits. I started working here in 2004 and now have no fear of losing work. I can provide for my family this way (Interview 179).

Several other examples add to our understanding of the retailer’s perspective of the relative stability of informal work in an unstable national work environment. In 2008, riots broke out in Nairobi’s slums, affecting the ability of retailers to conduct their trade. Several markets were burned down, others were closed for a few weeks, and nearly all traders saw a reduction in the number of customers and profits. However, the majority of retailers I interviewed after the violence had abated assured me that they would return to trade. If they could weather the short-term effects of instability, they were confident that in the long-term their business would continue forward (Toi 6.28.08).



Another measure of stability is the length of time people owned the same enterprise in the same marketplace. Although the majority of enterprises were five or less years old, a significant portion (about 35 percent) of the sample had been working in the same marketplace for 6 years or more. Some had worked in the same place for nearly 20 years! Ruth, a retailer at Gikomba, told me that she had a customer who had been buying from her for 15 years (Gikomba 6.20.07). A few had received their stalls from their parents who were some of the earliest traders in the marketplace. Others planned to pass the business down to their children. A retailer in City Park explained, “This shop is like my *thingira*, (Kikuyu; a house built by parents, passed on to males when they become adults). You own that house your entire life and don’t sell it. You pass it on to future generations. So this stall is my *thingira* to pass on to my son here. (*Looks at son working in stall.*) But it is up to him whether he wants to continue it. I will not treat it as a curse if he doesn’t pass it on” (City Park 7.22.07).

Given the current macroeconomic environment in Kenya, many traders are finding that informal work is more flexible, adaptable, and stable than formal work. Recently, with the legalization of the *mitumba* (used clothing) trade and the subsequent drop in profits, many traders have adapted by sourcing new (Chinese) goods from Dubai. This flexibility allows for quick responses to changing market conditions that helps retailers maximize profits. In addition, since arbitrary demolitions have decreased as a result of external pressure from NGOs and multilaterals, traders are able to see their business as an investment to pass on to their children.

### 6.1.5 *Unorganized Work*

Since the 1970s, the terms “unorganized” or “irregular” sector have frequently been substituted for “informal” sector in scholarly and policy documents (Bhalla 2003; Sakthivel and Joddar 2006; Moser 1978). However, as chaotic and unorganized as marketplaces may seem to the outsider, internally they have a complex system of organizations, governance, spatial use, and social hierarchy.

Organizationally, most marketplaces have a chairman who represents marketplace interests (to the NCC or area chiefs) and can notify vendors of any future changes. In some cases, the chairman can help mobilize retailers to repel outside threats such as NCC police, as was the case in Kawangware (Kawangware 6.5.08). The chairman, who is usually elected by market vendors, also oversees the distribution of market stalls. The treasurer handles the collection of fees and rents while the secretary documents transactions and meeting minutes.

Although marketplaces seem to be a hodge-podge of petty-traders, a complex commodity chain tied to social positioning exists. The most complex commodity chains and social hierarchies can be found in the central distribution markets such as Gikomba. At the top of the *mitumba* hierarchy at Gikomba are the importers who have developed international rapport and saved enough capital to import containers of *mitumba*. Numerically, there are few of these at Gikomba — most remain in Mombasa to oversee the unloading and transportation of the containers. The ones that do work in Gikomba have heavy security and drive armored vehicles.

I interviewed one such importer at her headquarters. I had to go through two levels of security to reach the “cage” she was working in, and then was escorted in to speak with her by armed guards. She dressed very smartly and was bedecked in gold jewelry, very

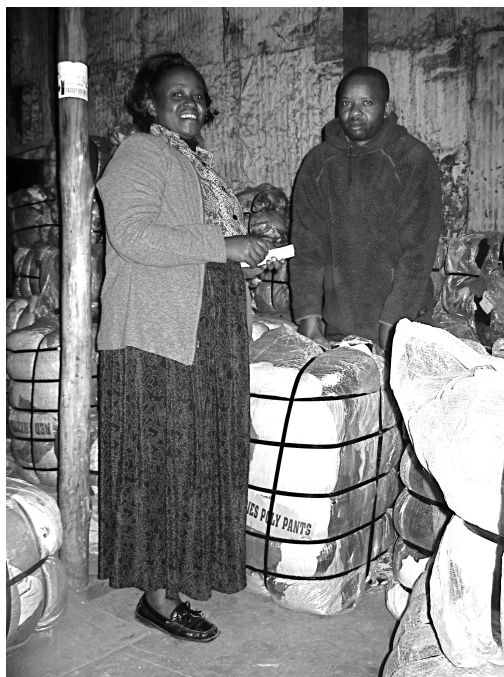


Figure 6.4: Buying a Bale

different from the retailers I worked with in another part of the marketplace. She sourced her used clothing from England, traveling there every couple of months to inspect the merchandise and renew her ties with the sellers.<sup>5</sup> It used to take three weeks to receive a shipment of goods but now it can take upwards of six because the container ships stop in Dubai to load and unload goods (Gikomba 6.20.07).<sup>6</sup>

Wholesalers in Gikomba buy shares in the containers and have them transported by large lorries to Nairobi to be stored in either existing stone buildings or tin storage sheds in Gikomba. Retailers negotiate a price per bale with the wholesalers and then hire a bale carrier to bring the bale to another storage area. These secondary storage areas are

<sup>5</sup>Others import from the U.S., Scotland, Belgium and Canada. See *Salaula* (Hansen 2000) for an excellent description of the international commodity chain for used clothing.

<sup>6</sup>Cheap Chinese goods are flooding the market in Kenya, creating significant competition for the used clothing market. The majority of these goods come through Dubai — as a Daily Nation reporter quipped, “[Dubai] is just a giant Gikomba market for goods produced elsewhere” (Gikomba 04.26.10). A part of Eastleigh market has been dubbed “Little Dubai” for its preponderance of goods, especially gold, from Dubai. These goods are frequently sold by Somalis, which adds an economic dimension to the existing political and religious tension between Kenyans and Somalis.

opened very early in the morning so retailers can have their bales opened between 6:00 and 6:30 a.m. Bale-carrying is considered an extremely low-class job. It pays poorly and is extremely hard work since bales can range from 50 to 100 kilograms (Gikomba 6.22.07).



Figure 6.5: Bale Storage Area

Different commodities are located in different sections of the market. If you want purses, you go to one section, men's suits another area, and vegetables have their own section. Each of these commodities has different selling schedules. Ladies pants are opened very early in the morning. Bale cutters will come and snip the metal ties encasing the bale, collecting these to recycle later. Many bale cutters also double as hawkers, since bale cutting alone is not a very lucrative industry. There is a sliding scale for clothes fresh from the bales. Prices are the highest when the bale is cut and decrease throughout the day. For example, Mama Carol sold ladies trousers for Ksh 100 right out of the bale with prices decreasing to Ksh 16 by the end of the day (Gikomba 6.22.07).



Figure 6.6: “Camera” at Gikomba

Some retailers sell clothes individually for a few hours and then sell the remaining unsold clothes at a bulk price to young men who come later in the day. These young men will whistle loudly or call “*camera, camera*” or “*wanga, wanga*” (Sheng; new clothes) to attract hawkers to these bales. Retailers selling higher-end clothes (suits, ladies jackets, jeans) may remain at their stall all day and then retain the left-over stock for the next day, only opening a bale every two to three days. Hawkers who buy *mitumba* (used clothing) or shoes have various strategies to add value to their purchases, including ironing, washing, mending, and repurposing. All of these services can be found within the marketplaces. With so many people clustered into one location, a number of human services can also be found, from ambulatory tea, sausage, biscuit, and fruit sellers to “hotels” selling *githeri* (a traditional Kikuyu bean dish) and *chaptis* (similar to Indian flat bread). A number of beer pubs and pool halls also exist to entertain young men while hair salons serve the women. In addition, sanitation services like private latrines and water spigots are also present. Esther jokes with me as we weave our way to find a lunch spot, “It is like a city here! You can find anything in Gikomba” (Gikomba 7.2.07)



Figure 6.7: Variety of Non-Retail Marketplace Jobs

Retailers recognized that society viewed them as low-class; they are useful sometimes for providing services to the low-class, but are always engaged in subsistence level activities that are often view as illegitimate, illegal, immoral, and unorganized. Retailers contested this social identity, providing examples instead of how their highly organized work not only contributes to society in positive ways but also helps them lead a life they have reason to value. This form of contestation is often a much quieter reaction than that given when retailers face physical harassment and violence.

### **6.1.6 Conclusion**

This section explored the localized effect of power on retailers in Kenya and how retailers contest externally constructed notions of informality. While contesting their externally created identity in several key aspects, retailers also accepted external categories of knowledge. For example, retailers considered themselves, *mufanya biashara*, or businesspeople as an acceptance of the revisionary social categories applied by the IMF and World Bank. We now turn to a discussion of whether these individual contestations can influence collective mobilizations of informal workers, and whether these mobilizations can effect long-lasting change to the betterment of informals.

## **6.2 The Potential for Social Mobilization of Informal Workers**

While the previous section discussed the individual ways retailers contest the dominant discourse of informality, the following section analyzes the collective ways informal workers have been able to express contestation or consent. In particular, this section explores the potential for social movements among informal workers in Kenya. First, social movement literature is reviewed in relation to the views presented in this chapter. Then, I briefly discuss the women's movement in Kenya, highlighting mobilizing factors and forms that may be applicable to an informal workers' movement, before turning my attention to potential indicators of informal mobilization. As revealed throughout this chapter, the women's movement and the nascent workers' movement have surprising similarities that increase the value and relevance of the following case-study.

### **6.2.1 *Theoretical Perspective***

Social movements have been defined by Tarrow (1996:874) as “sustained challenges to powerholders in the name of a disadvantaged population living under the jurisdiction of influence of those powerholders.” Social movement literature has evolved from a structural focus in the 1960s to an emphasis on personal gratification or self-improvement in the 2000s. This section will briefly review the key trends of social movement theory as produced by Northern scholars, before locating the perspectives of this thesis.

Smelser’s (1963) “structural strain” model viewed social movements as a symptom of social structure collapse. Tilly (1978) found this conceptualization too limited in its structuralist perspective and argued that social movements occurred because actors faced a lack of resources to address their grievances within the current political system. These ideas were consolidated in the resource mobilization theory that proposed that when the powerless and marginalized have no other options for gaining political representation or the resources to obtain representation in the face of state oppression, they at last resort turn to social movements (Kurtz 2002).

Political process theory focused on broader social and political processes that influenced the likelihood of the formation and success of a social movement. In particular, this theory argued that social movements were more likely to form and be successful under open rather than repressive political environments. Actors had greater political leverage under conditions of “urbanization, . . . splits among political and economic elite, changes in level of repression, changes in judicial or regulatory climate, changes in international pressures” that could make it easier to realize shared grievances, mobilize resources, and hold protests (Kurtz 2002:69). However, critics argued that political process theory did not so much explain why social movements formed as tell why some movements had easier paths to mobilization than others.



Most recently, a new theory of social movements rejects class-based and structuralist understandings of social mobilization. Giddens et al. (2005:400) argues that new social movements are a “unique product of late modern society [that is] profoundly different in their methods, motivations, and orientations from forms of collective action in earlier times.” New social movement theory proposes that the very organization of “modern” society has created radically divergent social movements that focus individualistically on personal transformation and creating/affirming identity (Kurtz 2002:70). “Modern” is a value-laden term and this discussion rejects the simplistic and historically inaccurate dichotomy presented here between “traditional/material” and “modern/cerebral” social movement structures. Rarely do social movements seek only material/political or identity/cultural objectives (Kurtz 2002:70–71).

While this discussion respects existing theories of social movements as helping to uncover potentially important elements of social mobilization, it moves away from grand theorization and pre-determined stages of mobilization. Instead, it identifies organizational forms and precursors of mobilization in social movements within the same culture and looks for these signals in the focal group. In other words, instead of delineating stages or processes movements must go through to become successful based on theories developed outside of the local context of Kenya, this discussion draws from an case of a social movement in Kenya’s history to identify potentially important forms and processes of mobilization in this locale.

### **6.2.2 A Case Study of the Women’s Movement**

In the 1950s, a small group of upper-class colonial women established a group *Maendeleo ya Wanawake* (“Progress for Women”) to promote “the advancement of African

women,” especially in Kikuyu in rural areas, through the mechanisms of self-help (Wipper 1975:99). MYW instructed women according to traditional Northern gender roles, offering training in homemaking, traditional handicrafts, health and hygiene, cooking, agriculture, and even hosting tea parties and chatting about current affairs (Wipper 1975:100). After a state of emergency was declared in 1952 and many Kikuyu were either imprisoned or interned in labor camps, the MYW groups became a mechanism for the “rehabilitation” of women and the monitoring of the Land and Freedom (*Mau Mau*) Movement, through the incentive of exemption from forced labor (Udvardy 1998:1750). The Commissioner for Community Development during this time stated, “African women’s clubs . . . are doing a considerable amount to overcome the influence of Mau Mau” and from that point on would be provided financial assistance by the colonial government (Aubrey 1997:48).

The initial leadership of MYW was composed almost entirely of the wives of well-to-do colonial administrators who espoused Northern values and biases as expressed in the following East African Women’s League address from 1955,

We are building on the sound foundations that these early adventurers put in for us. They did not build on the sand of lack of faith in their own race, in their way of life, in their religion, they built on the granite of the best characteristics of the English race, self-reliance, work, endurance, care for the backward people amongst whom they lived, and a wonderful gift for friendliness and hospitality . . . Care for the backward people is still an outstanding feature of our lives and work (Wipper 1975:100).

In 1959, UNICEF offered a grant for the expanded establishment of training centers in rural areas. Reflecting the wifely role of their leadership, African women were encouraged to be behind-the-scenes political supporters rather than leaders. However, MYW also encouraged the development of small associations of women to practice their newly learned skills, ultimately building the base for women’s mobilization farther

down the road. Moreover, African women were trained in organizational leadership, such that by Independence in 1963, the majority of leadership was African, supported by the former colonist leaders.

In 1964, the National Council of Women of Kenya (NCWK) was formed as an umbrella organization to unify all the smaller women's organizations that had cropped up in recent years, including MYW. MYW alone brought in approximately 43,000 members in 1,120 clubs (Wipper 1975:102). The NCWK came to define the women's movement in later years; however, it was born out of the membership of many small rural and urban women's groups (Maathai 2007; Tripp 1996). During the 1980s and 1990s, the presence of small women's associations grew quickly in reaction to increasing economic pressures, civil service cuts, the new policy of retrenchment, and the decline of government-provided social services.

Over time, the larger women's organizations faced more serious threats of politicization. Male politicians in the ruling party (KANU) used their power to install their female relatives in MYW leadership positions in an attempt to guarantee the female vote in elections (Aubrey 1997:74–77). Indeed, as Tripp (1996:290) reports, "Interference [with MYW] reached the point where President Moi became personally involved in changing the rules of voter eligibility for the organization." The NCWK leadership became increasingly concerned with these and other political tactics, including the purposeful stirring up of divisiveness based on ethnicity, race, class, and gender, commonly used by political parties to manipulate the populace.

Under pressure from KANU, MYW initiated a nasty split from the NCWK that nearly bankrupted the movement. MYW had never been a militant women's organization, but their role in the women's movement decline precipitously when they became affiliated as the women's arm of KANU in 1983. The NCWK had to rebuild momentum

and financial support by redefining its base and seeking to unite diverse interests and backgrounds of women's groups across the country (Tripp 1996; Maathai 2007). With such steep barriers to women's empowerment already existing in Kenya, the NCWK leaders, particularly future Nobel Prize winner Wangari Maathai, believed they could not afford to allow politicians to divide their organizational power along political or ethnic lines and vowed to remain politically independent to avoid the pitfalls of political patronage and co-optation.<sup>7</sup>

Coming after Maathai's bold resistance to President Moi's blatant disregard for the environmental protections the government had promised, a protest over the rights of political prisoners in 1992, where women went on a hunger strike and stripped in the face of police violence, drew widespread attention and support for the women's movement (Maathai 2007; Perlez 1989; Tibbetts 1994).<sup>8</sup> The ambitious plans implemented by NCWK to address all manner of human rights abuses while remaining unified showed a strength and determination that the government began to take more seriously (Tripp 1996). As a sign of the women's movement taking hold in Kenya, a number of new women's organizations were founded in the late 1980s and early 1990s including the Education Centre for Women in Democracy, Forum for African Women Educationalists, Women Educational Researchers of Kenya, and The African Women's Development and Communication Network (FEMNET).

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<sup>7</sup>Empowerment is defined by Longwe (1987) as a multilevel process. "At the family level, it means equal control with men in such matters as the sexual division of labour and the use and distribution of the family income. At the personal level, it means the women's control in such matters as choice of husband, use of her own labour and whether or not to bear children. Above all, this dimension is concerned with women's power to control their own lives and become independent and self reliance, both individually and collectively on equal terms with men. Equality in control is the ultimate objective of the process of empowerment" (Kabira and Nzioki 1993:99).

<sup>8</sup>See Udvardy (1998:1754–1758) for a discussion of the social significance of the exclusively female cultural practice of shaming by baring private parts and its contemporary use in the women's movement as a form of extreme protest. Wipper (1989:318–322) provides an example of its use in riots over Henry Thuku's 1922 arrest.

Many gains have been made in the area of women's rights. The 2006 Political Parties Bill provides government funding for political parties, evening the playing field for the poor and women who are not economically empowered, while changes to the Employment Act increased maternity leave from two weeks to three months (FIDA 2008:10). In addition, the current constitutional overhaul was lauded for involving women in its construction, including language calling for gender equity and guaranteeing more representation of women in parliament and the senate; however, given the history of marginalizing women in politics, it is questionable that this draft version will pass with women's rights guarantees intact (Daily Nation 2009c). In 2007, 261 women were nominated for parliamentary seats compared to 44 in 2002. Kenyan women saw an increase from two women members of parliament in 1987 to twenty-one members of parliament in 2007 suggesting significant gains in representation (FIDA 2008:9; Stamp 1991:828).

Despite these gains, Parliament remains overwhelmingly (92 percent) male, highlighting how much the women's movement has yet accomplish. Parliament failed to pass a 2007 constitutional amendment that guaranteed 50 seats for women in the National Assembly, further continuing policies of political marginalization. Some have viewed the modest changes as token measures that do not go far enough to guarantee women's equality, but they are no small victory for the hard-fought battle by women's groups in Kenya (Daily Nation 2010).

The women's movement in Kenya drew its power from identifying broad-based grievances and goals and making them visible through non-violent public displays of protest. This operational strategy was supported by internationally recognized, outspoken advocates for women's rights, who mobilized members (and even bystanders) to act when the government provided an opportunity to protest. Although the movement was composed primarily of small self-help groups across a diversity of social categories

often used by politicians to divide, Maathai united its membership by appealing to the near-universal anger at human rights abuses at the hands of the government. Ultimately, the issues that unified the women's movement were criticisms of the Moi administration over failed environmental promises and oppressive measures to maintain one-party rule such as illegally detaining prisoners, rather than a demand for women's empowerment per se (Maathai 2007; Perlez 1989). However necessary it was to appeal to generic grievances to build a membership base, this willingness to fight for a diversity of causes may have ultimately undermined the ability of the movement to generate a more visible collective identity unique to "womanhood" that could have significantly strengthened the movement beyond Maathai's leadership. Yet, to Maathai's credit, the decision to remain autonomous from a political party, instead advocating for broad human rights reforms, likely saved the movement from obsolescence. Using the women's movement as a guide, the following section will look for evidence of a social movement of informal workers.

### **6.2.3 *Characteristics of a Social Movement: Organizational Structures***

The following section expands on the the brief history of the women's movement provided above to locate characteristics of its mobilization, such as organizational structures, leadership, scope, and structural conditions, that might help us identify a nascent informal workers' movement. Then, the existing evidence on informal workers will be explored to see if these characteristics are evident. This first section examines the organizational structure of the women's movement, in particular the role small and large associations played in its growth.

## Small Associations

### *The Women's Movement*

Kenyan women have been forming female collectives long before the colonial apparatus entered the picture. Traditionally, women's groups met both economic and social needs in the community. Small village associations facilitated the female labor system by assisting neighbors to harvest labor-intensive crops such as finger millet. Women's groups also embodied traditional female social roles by providing care for women after child-birth and for supervising and instructing the children of the community. In addition, women's collectives played an important role in organizing ceremonies and rituals that preserved the norms and cultural traditions of the group. However, as maize production, encouraged by the colonial cash crop economy, superseded labor-intensive subsistence production, the communal labor element of women's social organizations declined (Sorensen 1992; Udvardy 1998).

As independence neared, the wives of colonial officers began to get involved in "women's development," establishing "women's clubs" under the name *Maendeleo ya Wanawake* (MYW) to encourage communal labor-sharing among rural women. MYW established a new organizational form that introduced a hierarchical structure antithetical to the original practice of communal labor. Although on one hand, the colonial leadership of MYW was unknowingly encouraging a return to traditional forms of female organization in existence prior to colonial intervention, on the other, the leadership made no attempt to acknowledge that these indigenous forms were made redundant by their own regime (Wipper 1975). Thus, these associations were an externally driven response to the externally perceived needs or deficiencies of Kenyan women based on the assumption that without intervention women were unable or incapable of forming or conceiving the benefit of collectives.

Yet, membership in these women's clubs grew rapidly, in part because of the incentives offered by the British system. As Independence neared, MYW separated itself from the auspices of the colonial wives and supported African rule. Despite Kenyatta's promises to support MYW when the women visited him in prison, the first decade after independence saw a decline in the level of support given to women's groups from the colonial era. In the 1970s, a change in MYW leadership brought in new funds and a concurrent growth in membership from 2,085 in 1971 to approximately 6,000 groups in 1983 (Aubrey 1997:57). While MYW's contribution to the women's movement was later curtailed by government intervention, it did play an important role initially in organizing and mobilizing rural women and calling for gender equality.

Small women's associations also formed the basis of membership of the National Council of Women of Kenya (NCWK), founded in 1964, and its affiliate the Green Belt Movement (GBM), founded in 1977. Directed by Nobel Prize winner Wangari Maathai, GBM initially rooted its tree-planting initiative in rural development groups primarily composed of women (Maathai 2006). Both NCWK and GBM played significant and progressive roles in the women's movement in response to the challenges they witnessed among rural associations. The plight of women's groups forced them to pay attention to gender equity and women's rights in the context of Kenya.

Small associational forms were fundamental to the start of the women's movement and gave legitimacy to the foundation of larger organizations expressly advocating for the interests of women. Although the degree to which these smaller organizations challenged traditional gender relations in Kenya is source of much debate, they were the catalyst for women's social mobilization. We might now ask whether there is a similar role for small associations among informal workers.



### *The Informal Workers' Movement*

While large, male-dominated organizations based on hawker, trader, or jua kali occupational status have been forming and dissolving in Nairobi since the 1920s, these organizations were not able to build a cohesive, effective, and long-standing informal workers movement in Kenya. The power of these large organizations declined significantly after the First Hawker War in 1960, and in their place, small, self-help groups arose, influenced by the new associational form introduced by MYW and other colonial era organizations. Traders retreated from collective attack on the political sphere and began forming associations inside and outside the market based on health, welfare, and business development. These associations became essential to survival through the economic downturn of the SAP years, and members simply sought to improve their everyday life situations rather than transform the existing political structure (Murray and Myers 2006; Brown and Lyons 2010).

What exists today is a plethora of small informal associations. The organizational structure of small trader's associations is indebted to the shift away from communal labor sharing toward resource pooling (while maintaining the focus on social welfare) that occurred during the colonial era. Indeed, research conducted in 2007 and 2008 revealed that small informal associations within the marketplaces were organized around two primary concerns: health-and-welfare and business loans.<sup>9</sup> Since, the majority of associations were independent and stand-alone groups and consisted of less than ten members, many times from the same ethnic group and gender, this is a prime example of the prevalence of small associational forms within the informal social network and evidence of the lack of any sustained large association influence.

Given the history of gender roles in small associational forms, I expected to find a significant concentration of women in small informal groups. Especially in health-and-

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<sup>9</sup>Abraham et al. (1998) reported similar associational forms (Ferrara 2002).

welfare merry-go-rounds, where members contributed a small amount of their income to a kitty, membership was predominantly female. Welfare associations cater to traditionally female gender roles by providing access to money to cover hospital fees, funeral expense, and celebrations such as a wedding, graduation, or birth.

In the business-oriented associations, members were either given monthly sums of money or could take out a loan based on the amount they had invested up to that point. Loans were paid back at an interest rate lower than that offered by banks or micro-lending institutions (but still usually exceeding 10 percent).<sup>10</sup> Additional fees were charged for late loan repayments. The gender representation for business associations was more diverse than for health-and-welfare associations, with an overwhelming majority of leadership positions occupied by males. Similar to health-and-welfare associations, business associations were constructed out of close ties, often, but not always, ethnically based. However, unlike health-and-welfare associations, translocal associations were non-existent. I did not find a single case of a member of a rural business association working in an urban marketplace, nor did I find evidence of labor pooling.

For both welfare and business forms of associations, it was essential that the members knew both the other members and their families/sponsors well in order to be able to invest with confidence in the organization. If a new member wanted to join the group,

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<sup>10</sup>Within the past few years, banks in Kenya have become more open to lending to small businesses or groups of poor clients; indeed a few banks such as Cooperative Bank and Equity Bank have opened branches near Gikomba. However, most banks still require a significant number of conditions to be met before the loan is granted, including maintaining a savings account with a minimum balance for a certain period of time, have earning levels over Ksh 10–30,000, address confirmation documents, a letter of introduction from employer, pay stubs, bank statements, and one or two sponsors with current account at the institution to vouch for the new client. If these restrictive conditions are met, which is unlikely for small informal enterprises, small loans can be taken out at not less than 14 percent interest often on top of ledger fees, service charges, or ATM fees (Interview with George Owuor, Equity Bank 7.2.07). In 1993, Cooperative Bank of Kenya, one of the more small-holder friendly banks offered an interest rate on loans at 20 percent (Alila and Ikiara 1993:79). Interest rates today range from 14 percent to 21 percent for unsecured loans. The Central Bank of Kenya has called for a reduction in interest rates but national banks have widely rejected that call. Lower interest rates can be found in non-banking financial institutions. Such as micro-finance institutions or the women's or youth fund.

they needed a sponsor who could identify their family lineage and homeplace.<sup>11</sup> This spatial groundedness acted as an informal social and economic deterrent, since if a person defaulted on a loan or absconded with the group's savings, the association could turn to the family or ostracize the individual from their "home" community (Kawangware 6.25). Such deterrents are not as strong in urban areas because individuals are disjoined from communal ties and responsibilities, and it is simply too easy to disappear into another marketplace to start again. With such horror stories rampant in the marketplaces, a number of retailers exhibited extreme caution when considering joining associations. High levels of social trust were necessary for this form of association, and typically only well-established, committed retailers were willing to take this risk. As a result small organizations tended to be composed of members of the same ethnic groups, gender categories, and age cohorts (often older generations with accumulated wealth due to the need to be well-established to be willing to take risk).<sup>12</sup>

One of my key informants in Gikomba, a 46 year-old mother of four, was involved in five associations, only one of which was based in the marketplace. The marketplace group consisted of ten women, all well-established Akamba sellers at Gikomba. Every month they contributed Ksh 200, and one member received Ksh 2,000 to improve her business. This was not a loan but a way of topping off an existing loan or investment to make a big purchase approximately once a year. Some sellers used the lump sum to buy their licenses or new stock while others used the money for their children's school supplies (Gikomba 6.29.07).

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<sup>11</sup>These observations are supported by La Ferrara (2002:63) who similarly reported, "The most important factor to gain access to such loans seems to be speaking the same language as the chairperson . . . members of the same ethnic group as the chairperson are 20-25 percentage points more likely to borrow from the group or from other members."

<sup>12</sup>These findings are also supported by La Ferrara (2002:61) who finds that in East Africa "Sex, age and ethnic identity are among the most important determinants of . . . access to group loans" (Ferrara 2002:61). Sorensen (1992:561) also reports finding that new women's groups are disproportionately composed of older and wealthier women who encouraged long-term income-generating activities (with opportunities to reinvest profits) instead of short-term poverty alleviation measures.

My key informant's second association, *Ndeytha* Group (Akamba: self-help), was business-oriented. Like the previous group, all eight members were both female and Akamba, although they all neither came from the same area nor worked in the same marketplace. The women became friends long before they considered starting an association. Two were neighbors for seventeen years and watched each others' children grow; one's husband was a wholesaler from whom the key informant bought her bales, and another two were neighbors elsewhere previously. Knowing each others' entire family and homeplace helped to develop trust, along with the mutual bond they said came from being women and mothers. Anne told me, "These women will stand up for you like a sister; we are sisters in society. And our children are playmates and our husbands are friends. It is not eight women in this group but eight families" (Umoja 7.8.07). They also were not revisiting their rural home frequently enough to feel supported and accepted by that community. They began to have more common interests with friends in Nairobi than with their age-mates in the village. Rose explains these complex feelings, "When we go there, we have nothing to talk about. You find your home but you are just alone. These village women aged fast and seem so old now. Your age mates are grandmothers who have no teeth. They are educating their grandchildren and we are educating our children." Esther added, "Women from home don't like us because we stay in town and can't help those in the village all the time. They think you are living a good life in Nairobi and not working hard like on the *shamba*" (Umoja 7.8.07).

The group also had a health-and-welfare component that acted as an informal insurance scheme. A woman could take out loan for business development or school fees. These loans could not be used for health expenditures, because that can "eat the loan and make it difficult to repay" (Umoja 7.8.07). Instead, grants were offered for such occasions: Ksh 40,000 for a graduation ceremony, Ksh 16,000 for a wedding, Ksh 40,000 if admitted to the hospital, Ksh 24,000 to cover burial costs and so on. In addition, the

group visited a member's parents in their rural home every month, bringing something to meet their needs. A chairwoman was in charge of running the monthly meetings, a treasurer collected loans and fees, and the secretary recorded attendance and fee payment. Additional fines were levied if a member misses a meeting or is late.

### *Conclusion*

The evidence presented in this section shows that small associations with hierarchical organizational structures created an organized base for the women's movement, providing the engine for growth and mobilization. Likewise, evidence collected in marketplaces in Nairobi suggests small associations play an equally important role in bringing together informal workers to share resources and providing funds for social obligations. These associations meet both economic and social needs of traders — helping them pool resources as a form of insurance, gain access to credit for large purchases, and pay for large cultural expenses such as weddings and funerals. These findings are supported by McCormick et al. (2003:31) who specifically studied local level associations of informal workers. They found that only 15.7 percent of informal workers were members of women's groups (42.5 percent of women entrepreneurs), suggesting that although the forms of local organization are similar between the two movements, the membership is unique. Thus, we cannot conclude that informal workers' associations are dependent on women's groups.

Despite the importance of small associations as a foundational organizational structure and a provider of resources, they have not exhibited the ability to improve the political or legal climate or to transform norms surrounding marginalized Kenyans over the long-term (Brown and Lyons 2010). In addition, they rarely produce leadership that extends beyond their own small niche. In the case of the women's movement, larger organizations built around these smaller associations, arose as key mechanisms

for widespread changes. The following section discusses the development of these larger organizational forms, particularly the development of an umbrella organization, and their potential in facilitating social mobilization of informal workers.

## **Large Organizations**

### *The Women's Movement*

Starting in the 1950s with MYW, large organizational forms representing women's interests sprouted rapidly. In particular, an umbrella organization called the National Council of Women of Kenya (NCWK) formed in 1964 to coordinate the diverse interests of small associations, women's organizations, NGOs and CBOs that had emerged from the fight for independence. According to Wangari Maathai,

NCWK ...is the forum through which many women became part of the women's movement in Kenya. ...At independence ... various women's organizations in the country decided to unite to forge a common front through which common issues and objectives could be promoted, especially those concerning women. NCWK became that common front (Maathai 2006:30).

The NCWK also played a key role in establishing the Green Belt Movement (GBM) in 1977, which has become known as one of its most successful initiatives (Maathai 2007:155). Like the NCWK, women's groups were the foundational members of GBM, and only later when the Movement gained international recognition did membership expand (Maathai 2006:39). Together with the NCWK, the GBM pushed women's rights, through more general appeals to human rights and environmental stewardship, into the spotlight. Other organizations also played a role in the women's movement including the YWCA, Gender and Development Center and professional organizations such as the Federation of Women Lawyers Kenya, Business and Professional Women, and Kenya Association of University Women. Many other women's organizations were founded

in the 1990s, including another umbrella organization called the Federation of Women Groups, following the path-breaking work of these first groups.

In 1971, the government of Kenya sponsored the Women's Group Programme, but it was not until the International Women's Year in 1975 that the government really started investing in women's groups. In this year the Women's Bureau was established under the Ministry of Culture and Social Services. In 1977, the ILO released the report *Employment, Incomes and Equality*, which was subsequently incorporated by the Government of Kenya into their Fourth Development Plan, bringing attention to the need for income-generating opportunities and employment creation for women. Thereafter, small self-help associations were seen as the best, if not only, mechanism for ensuring the achievement of this component of the Plan. Funding was subsequently funneled through women's organizations, particularly MYW, to this end, generating an even greater flurry of "association-making" and NGOs to organize these associations (Feldman 1983:67–68).

Whether these small associations challenged existing gender norms and unequal gender relations was a matter of debate (see Stamp 1986; Mwaniki 1986; Thomas 1988; Sorensen 1992; Kabira and Nzioki 1993). Thomas (1988:418) argued, "Women do not question existing structures of stratification and authority. Nowhere . . . did anyone suggest that an association should join with others to achieve common objectives." Small associational forms have proven to be more organizational and concrete than transformative and abstract.

In Kenya, the umbrella organization, NCWK, and the large organization, GBM, have pushed the women's movement forward through their international exposure to solidarity networks, broad-base of funding, opportunities for training, and ability to focus on more widely-applicable social justice issues beyond the narrow interests of small as-

sociations. Indeed, Udvardy claims, “Among the attributes that have been identified as key to the success of Maathai’s movement is her ingenious organizational structure, which combines a central, Nairobi-based office staff, with widespread participation at the grassroots level. Women’s groups, usually already established, must apply for Green Belt membership, and are constantly monitored by field extension staff” (1998:1757). Centralized leadership, broad-based membership, and staff who work closely with members in the field seem to be key to the success of GBM and the women’s movement more broadly. Evidence from organizational forms within the women’s movement highlight the importance of large organizations in raising awareness, pooling resources, and developing solidarity. The question now arises whether large-scale organizational forms can play similar roles in the informal workers’ movement. To this we turn.

### *The Informal Workers’ Movement*

While small informal associations helped traders meet their day-to-day needs, they found such associations were incapable of negotiating with municipal authorities for a better trading environment (Lyons and Snoxell 2005; Brown and Lyons 2010). Large, formal workers’ organizations (such as Central Organization of Trade Unions, Kenya Association of Manufacturers, and Kenya National Chamber of Commerce and Industry) only recognized waged “formal” work as valuable and productive. In the past, large organizations such as the African Workers Federation and the United African Traders Associations (with 4,000 members at its peak) have developed in response to trader persecution but government coercion or co-optation reduced their potential power (Furedi 1973).

More recently, other national organizations such as Kenya Organisation of Small and Medium Enterprises, Kenya Small Traders and Entrepreneurs Society (KSTES), Association of Makers of Gifts and Allied Articles (AMEGA), and Small and Medium Enter-



prises Development Organisation and the Kenya National Federation of Jua Kali Associations (KNFJKA) have emerged but are small in scope and most, with the exception of KSTES and AMEGA, cater primarily to small manufacturers. The KNFJKA has been the primary mechanisms for government involvement among the *jua kali*, and helped to implement the World Bank's Voucher Training Programme. Established in 1992 by the Ministry of Technical Training and Applied Technology (MTTAT), KNFJKA was undermined by divisive politics in its governing council and rendered dormant in 1996. At its peak in 1995, it only had 360 members, which highlights its limited purview and potential for mobilizing workers for change (McCormick et al. 2003:38). Large workers organizations have developed in the past, but for various reasons none have been able to transform their local interests into a broad-based platform for social change.

The recent development of the Kenya National Alliance of Street Vendors and Informal Traders (KENASVIT), a nascent umbrella organization of small associations that defends the rights of traders and hawkers give a tentative hint that this may change. KENASVIT seeks to unite hawker and trader interests in multiple municipalities in Kenya and enables collective bargaining on their behalf (Mitullah 2004).

Researchers at the Institute of Development Studies (IDS) at the University of Nairobi have been conducting research on hawkers and traders for decades, even before the ILO hired IDS researchers to help produce its 1972 Kenya Report. The most recent study contributing to this institutional body of research, conducted between 1998 and 2002, concluded that workers desired to improve their situation but were thwarted by a lack of consistent, uncorrupted leadership and large-scale organizational structure to train members in local and national-level advocacy (The Street Trader 2006; Mitullah 2007).<sup>13</sup> In April 2005, KENASVIT was formed by IDS researchers as an umbrella

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<sup>13</sup>With funding from StreetNet International, Women in Informal Employment Globalising and Organising and the Unitarian Universalist Service Committee (Mitullah 2007; Mitullah and Kamau ND).

group “to organise and empower street vendors and informal traders in order to improve their businesses through training, and access to credit, dialogue with local authorities and other relevant organizations on appropriate by-laws and policies that give recognition to, and bring to an end harassment and discrimination against these traders” (Mitullah 2007). Drawing on a history of marketplace militancy and small associations, KENASVIT is working to enable informal workers to lobby for their own rights and participate in the development and implementation of relevant policy, such as the Micro and Small Enterprise Bill (The Street Trader 2006; Mitullah 2007).

For organizational purposes, KENASVIT’s members are grouped into seven urban alliances, composed of several small associations in the same geographic area. KENASVIT models a modern hierarchical and centralized organizational structure but also allows each urban alliance to structure its own guiding mission, principles, goals, and leadership. Currently KENASVIT as a whole remains small and divided, with only 6,000 members in 175 small associations scattered across seven urban alliances (KENASVIT 2009). However, KENASVIT has strengthened hawker and trader representation in Nairobi, particularly by training leaders and channeling their frustration into reworking the proposed Micro and Small Enterprises Bill. Prior to the formation of KENASVIT, hawkers and traders in Nairobi formed the Nairobi Hawkers Alliance. This organization was undermined by serious leadership problems and was disbanding until researchers at IDS helped it rebuild and ultimately redefine itself as NISCOF under KENASVIT (The Street Trader 2006).

Despite the opposition the Nairobi urban alliance (NISCOF) has faced from the municipal council, other urban alliances under KENASVIT have experienced moderate success in their collective pursuit of issues that bridge associations. In Nakuru, the mayor has agreed to meet with the local KENASVIT urban alliance members regularly

and has begun the process of constructing of a new hawkers' marketplace. In Kisumu, a city on the Eastern edge of Kenya, the urban alliance has increased dialogue between associations and the municipal authority and even taken the Municipal Council to court (The Street Trader 2006; Mitullah 2007).

Even greater progress has been made at the national level, especially in advocacy, awareness-generation, and networking. KENASVIT has demanded an active role in the development of the proposed Micro and Small Enterprises Bill, organizing a workshop to develop a position on the bill and submit recommendations to the Attorney General for improvements (The Street Trader 2007a:5). Successes have also been seen in generating awareness for the plight of hawkers and their ability to get involved in the movement. Urban alliances have held soccer matches, press conferences, forums, panels, and rallies, while the executive council has published newsletters, started a blog and website, and created a brochure. KENASVIT has also been proactive in networking, connecting with numerous local NGOs and attending international conferences to develop solidarity with other street trader organizations (Okello 2007a; The Street Trader 2007a:4, 12).

### *Conclusion*

Since small associations have proven to be more organizational and concrete than transformative and abstract, it is important to pool associations under umbrella organizations (such as the NCWK and KENASVIT) that can unite and mobilize disparate groups to maximize their power potential. McCormick et al. (2003:37) argue that umbrella organizations are important because they combine "the advantages of geographical and sectoral associations." The evidence presented above supports this finding and suggests umbrella organizations offer an added measure of protection against co-optation since they are composed of many smaller groups that can speak out independently.

For informal workers, a national level alliance is a refreshing new opportunity to move beyond the small associational and large organizational forms that have characterized informal worker solidarity previously. Evidence provided in this section highlighted the weakness of small associations to effect change beyond their own members. As discussed in detail in Chapter 5, large organizations, such as the United African Traders Association and the African Worker's Federation, were not strong enough on their own to resist government repression, co-optation, and divisive mechanisms in order to produce long-standing change for informal workers. Evidence suggests that the national-level umbrella organization KENASVIT is faring better.

The unification of small associations under the auspices of a registered national-level organization provides a robust challenge to existing structures of inequality in no small part because municipal and state bodies function according to organizational forms that privilege registered organizations (Mitlin 2001; Mitullah 2004; Lyon 2003; Setsabi and Leduka 2008; Cross 2000:43). KENASVIT has been providing this umbrella organizational form and function for traders but it remains to be seen whether the dynamic leadership exists to mobilize informals to negotiate for their own rights. We turn to this question in the following section.

#### **6.2.4 *Characteristics of a Social Movement: Leadership***

##### **The Women's Movement**

Leadership in the first women's organization, MYW, was composed of the wives of colonial officials including the governor, the Anglican bishop, provincial commissioner, and the provincial agricultural officer. These upper-class women projected their conservative and traditional Northern notions of being a proper wife, managing the household,

and supporting the husband in his leadership positions onto the organization (Wipper 1975:99). Initially, the elite leadership hand-picked their African successors from loyalists trained at the Jeanes School who would then be sent to the reserves to spread the colonial propaganda (Maathai 2007:156; Aubrey 1997:50). Yet, as the independence movement grew, MYW separated from elite colonial interests and voiced its support for an imprisoned Kenyatta, who assured MYW leadership that women's issues would be an important component of the post-colonial administration. However, once in power Kenyatta ignored women's issues, relegating them to the private domain of the home, and included no female voices in his cabinet or advisory circle. For the next decade, a style of leadership developed that focused on establishing local connections with rural women and the secondary goal of lobbying the government to address the traditional subordination of women (Wipper 1975:106; Aubrey 1997:56).

In 1971, a new chairperson was chosen in a fiercely contested election between Nyiva Mwenda, a former MP and wife of an ex-chief justice, and Jane Kiano, wife of the Minister of Commerce, cabinet member, GEMA (Gikuyu, Embu, and Meru Association) officer, and chairman of the Kenya Broadcasting System. Kiano won and began the longest and arguably most influential term of any MYW chairperson. Kiano was well-connected politically and socially and paired this with a strong and aggressive leadership style that courted contributions and support from a wide-range of patrons. Kiano became the face of Kenya's women's movement in the international women's rights conferences, particularly those in Mexico in 1975 and Copenhagen in 1980, using these audiences to generate financial support through bilateral ties with USAID, GTZ, Pathfinder, and NORAD. She also made use of her husband's KANU connections and combined speeches on behalf of MYW with campaigning trips on behalf of her husband (Aubrey 1997).

MYW came under the auspices of the NCWK in 1974 but successfully lobbied for a significant amount of power in the organization due to their unique representation of large numbers of rural women. MYW was awarded ten votes in the organizations elections, compared to three allotted to all other groups, and the chairwoman of NCWK was always a senior member in MYW. Thus, the NCWK closely mirrored the ideological bent of MYW.

This changed in 1979 when Wangari Maathai ran for the chairwoman position in NCWK. Although Maathai came from a poor family in rural Kenya by luck she was enrolled in missionary schools and then chosen as part of the 1960 “Kennedy Airlift” of Kenyans to U.S. universities. She earned a PhD and upon her return, moved to the middle-class suburb of Lang’ata in Nairobi and worked as a professor at the University of Nairobi while supporting her husband’s campaign to be a Member of Parliament. Later she worked for an arm of UNEP and traveled internationally on its behalf (Maathai 2006:15).

Maathai lost the 1979 NCWK election, becoming the vice-chairwoman instead, but was not deterred. She ran again in 1980 and won. Shortly thereafter MYW withdrew from NCWK signaling a shift in the caretaker of the women’s movement. Through the NCWK, Maathai provided strong and decisive leadership that moved forward a progressive agenda for women’s rights. After her term ended as chairwoman of NCWK, she used the GBM as a platform for confronting the government over a myriad of policies including the politicization of ethnicity, human rights violations, repression, unmet promises about the political representation of women, and environmental policies.

Voicing her concerns about the loss of public green space and government repression under single-party rule, Maathai directly confronted the Moi’s administration in a violent confrontation in 1992 (Maathai 2007:184–205). However, not all women’s

groups were supportive of Maathai's direct attack on the government and involvement in political battles and some even left the movement. However, as Udvardy suggests, "When Maathai began to realize the negative impact of her political activities upon the movement, she fought to separate her political activities from her role in the movement" (1998:1757). As a strong and truly visionary leader, Maathai recognized her faults and, putting her own personal grievances aside, focused on the grievances of GBM's members.

Maathai proved to many that change could come and that the authoritarian regime could be challenged. Later, when no other women's organizations dared to speak out, Maathai organized a petition through GBM and the NCWK to support Wambui Otieno's legal battle against patrimonial legal structures (Udvardy 1998; Gordon 1995). Ultimately, she used the platform of GBM to make visible the capacity of women instead of just preaching it. She writes,

In a nation where women's roles are commonly perceived as subordinate, the [Green Belt] Movement found it important to raise awareness — both in rural and urban areas — of the willingness, ability and capacity of women to play leading roles in communal, regional, and national development (Maathai 2006:39).

Kiano and Maathai were both charismatic and determined leaders. Without them and other women like them, it is not certain that a women's movement would have developed. Thus, the leadership of the women's movement came in the form of well-educated, middle-class, charismatic, and strong-willed women.

### **The Informal Workers' Movement**

Historically, leadership and membership in informal workers organizations have been male even when women represented a significant portion of informal labor (Brown and

Lyons 2010; Bonner ND; McCormick et al. 2003). Thus, this work expected to find predominantly male leadership in KENASVIT. Indeed, the urban alliances are all chaired by men, except for one — the currently defunct Eldoret alliance. However, the initial executive board of KENASVIT in 2006 had an even representation of men and women. The distinct difference in gender representation between the urban alliances and the national executive board hints at the influence of the more progressive public intellectuals who started the organization.

The IDS-Nairobi researchers who acted upon the intellectual history of the department and created KENASVIT are also active members of Women in Informal Employment Globalizing and Organizing (WIEGO). This progressive trans-local organization issued a manual for organizing informal workers that provided specific strategies to encourage women's leadership (Bonner ND). As a result, the founders from IDS-Nairobi were highly attuned to these concerns, and their influence in the national-level executive leadership representation is evident. Indeed, Mitullah (2007:3) reports that the urban authorities who attended the 2003 workshop to discuss the technicalities of forming the alliance were required to elect one male and one female representative to compose the National Interim Steering Committee that wrote the constitution for KENASVIT.

The gender equality in leadership that was initiated by the IDS researchers has changed in the most recent election where more males (6) than females (3) were elected to the executive committee and all women were in a secondary or “vice-” role. Although the gender composition of KENASVIT membership was not known, this research found that a significant percentage of hawkers and traders were women making it increasingly important to have female representation on the executive committee that can bring up concerns specific to women.



As of 2007, IDS researcher Evalyne Wanyama still served as the project coordinator and was located at the head office in Nakuru. She and Winnie Mitullah, the other IDS professor and the director of the initial project, edit the organization's newsletter, *The Street Trader*, thereby maintaining significant control over the "voice" of traders. Moreover, the IDS logo is prominent on the most recent brochure, suggesting that it continues to play a significant role in the organization. Mitullah and Wanyama are the main international spokespersons for the organization (although recent trips by National Secretary Peter Okello indicate a potential shift) and also appear in a number of urban alliance pictures in the newsletters, suggesting they still play a central role at least in the marketing of the organization (Okello 2007a; *The Street Trader* 2007a). Mitullah in particular is a prolific writer and has documented the growth of the organization in several articles and policy briefs (Mitullah 2007).

A workers movement would likely face resource challenges such as forming "bridging" ties to elites outside their social network and accumulating large amounts of capital to fund advertising campaigns.<sup>14</sup> The organizational structure of KENASVIT may be beneficial in this regard, since the advisory members from IDS are well-respected individuals or institutions with ties outside of the informal social network. These advisors have also facilitated corporate relationships, such as with Coca Cola and national cell phone companies to gain access to vending space around the ferry docks in Mombasa and providing recognition for the rights of traders and street vendors (Kreilick 2009). In this case, a well-respected and well-known leadership was useful in opening doors to benefit informal workers, and these strengths must be weighed against the challenge of developing legitimacy and the trust of members with non-trader leadership.

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<sup>14</sup>See Granovetter (1973, 1983) for a discussion of strong and weak (bridging) ties.

## **Conclusion**

Dynamic leadership is an essential part of an effective social movement. Such leaders help to inspire staff, recruit new members, bring national and international awareness to the movement, generate and reassure donors, and protect the autonomy of the organization.

The evidence shows that the leadership of both the women's movement and the potentially nascent informal workers' movement relied on well-educated, charismatic, middle-class women, at least in the foundational stages. It is not expected that the leadership of the informal movement will continue to be middle-class females, since many traders are male, but it is concerning that in recent elections the most powerful positions went to males with only a minority of female representation and only in subordinate roles. It is important that KENASVIT continues to draw female traders into leadership roles to represent the significant proportion of women in informal trade and street vending and to advocate for the unique concerns of women.

The evidence presented in this section shows that the "bridging" capital of the women's movement leadership generated wide-spread domestic support and international rapport. Initially, Mitullah and Wanyama used their broad-based connections and legitimacy stemming from appointments at the University of Nairobi to generate beneficial relationships for KENASVIT. However, since they have taken on advisor roles, it remains to be seen if they will continue to exploit these connections or whether local leadership will make an effort to build "bridging" capital.

Mitullah's insistence on local leadership is indicative of a different approach to organizational leadership than has been historically seen in the case of large organizations in Kenya. With this strategy, the leadership has most likely avoided the problem

MYW faced when reports of Kiano's international travel and luxurious life-style surfaced and rural women questioned the legitimacy and representation of their leadership. At the same time, the quickness with which local leadership replaced the founders of KENASVIT also sidelines Maathai's effective model of generating international recognition through her personal dynamism.

Having shifted leadership styles away from the charismatic, politically connected model, it remains to be seen whether KENASVIT's strategy (adopted at least in part from WIEGO) of identifying potential leaders from the pool of association members and training them for leadership positions, can develop an indigenous leadership that will build the legitimacy and strength of the movement. Are charismatic, politically-connected, and internationally-respected leaders essential for the success of a social movement in Kenya? If so, can the well-known IDS researchers affiliated with KENASVIT function as effectively in the advisor role they have chosen in a way that champions the movement rather than leads it? Or, does the informal sector itself have its own dynamic leaders that have yet to surface in the movement?

To this end, one of the most promising resources supporting a movement of informal workers in Kenya is the relatively high level of education of traders at least in urban areas. My survey found that a large proportion of retailers in Nairobi (45 percent) had completed secondary education while ten percent had some college education. Only ten percent had no education.<sup>15</sup> If this educational resource can be further employed to develop skilled but local leadership, the organization may not need a charismatic leader that runs the risk of co-optation.

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<sup>15</sup>Surveys conducted by NISCOF in 2005 similarly found that a majority of traders had both primary and secondary level education (Odhiambo ND).

### **6.2.5 *Characteristics of a Social Movement: Resistance to Division, Co-optation, and Repression***

#### **The Women's Movement**

Division, co-optation, and repression have played a significant role in the specific form of women's movement that developed in Kenya. Government meddling ultimately reduced the legitimacy of those women's organizations calling for more moderate reforms of gender inequality. In their place rose a more progressive agenda that was directly confrontational to the Kenyan government.

During the late 1970s and early 1980s, KANU sought to assert its control over NGOs and other organizations in Kenya, appropriating their international funding to finance the national debt, their voters to boost the ranks of their party, and their successful program initiatives to improve the record of state-led development. Both Kenyatta and Moi approached Jane Kiano, then chairwoman of MYW, seeking to affiliate the women's organization with KANU. Kiano held off the assault for over a decade, finally resigning the chairmanship in 1985 in recognition of the inevitable. MYW was particularly vulnerable because it was female-led, espoused the most conservative agenda of the national women's organizations, and had tried to work with the government instead of criticize it (Aubrey 1997:67–68). Moreover, “the government believed that MYWO could be used, as it was used, to silence other non-compliant “unruly” women's organizations, particularly NCWK” (Aubrey 1997:68). Kiano had, perhaps, too closely aligned herself with the political elite in an attempt to revitalize wide-spread support for MYW.

MYW was never a radical force for women's empowerment, but small gains had been made in the ten years after independence by presenting the government with re-

quests for women's rights. However, Kiano's ascension to chairwoman in 1971 ushered in an era of leadership less concerned about deep-rooted gender reforms and more interested in courting the favor of the government to enlarge and strengthen the organization. It was hard to be progressive when the chairwoman felt that "Women in this country do not need a liberation movement because all doors are open to us" and that "the simple reason [we want men involved in MYW] is that we want men to acquaint themselves with our activities *so that when we ask permission from our husbands* to attend meetings far from our homes they should know what we are going to do" (Wipper 1975:106). While attuned to "women's issues," the leadership of MYW did not advocate for radical change, instead seeing men's authority in the home and political sphere as unquestionable.

Some suggest the shift in organizational goals that occurred under Kiano's watch compromised the ability of MYW to truly be a voice for women's empowerment. Moreover, the possibility for a more radical women's movement under MYW was ultimately eliminated, allowing for co-optation by the government apparatus (Aubrey 1997). Wipper describes Kiano's shift toward a Western-style philanthropic organization that sought well-connected "patrons" as leaders and directed activities towards "the sophisticated middle and upper middle class urbanite with cosmopolitan tastes and with access to a western-level salary and lifestyle" (1975:104). Cabarets, fashion shows, extravagant dinners, art exhibitions, and barbecues were organized for diplomats, the international community, and others running in elite circles looking to "contribute to East African development." Rural women at this time were feeling neglected by their urban leadership, spurned by the pay cut they had taken while hearing about the lavish international trips of the chairwoman (Udvardy 1998; Wipper 1975).

Despite Kiano's shift toward courting government support and international donors, she did not have the intention of submitting MYW's authority to the ruling party. Kiano resisted attempts by both Kenyatta and Moi to incorporate MYW into the state apparatus for 12 years of her tenure. Aubrey (1997:67) writes, "In April 1984, however, in large part because KANU could no longer be prevented from affiliating MYWO, Kiano resigned as chair of MYWO. She resigned three years before her active term was over, to everyone's surprise, on the eve of the UN Decade for Women meeting in Nairobi in 1985." The women's movement was subsequently divided with MYW becoming the face of the government-legitimated women's movement (one that respected the patrimonial desires of KANU and the nearly all male parliament) and the NCWK as the more radical step-sister the government sought to eradicate by persecuting and slandering the organization and its leader Maathai (Tripp 2001:46).

Maathai winning the NCWK chairperson election meant that MYW would no longer be able to control the NCWK. Encouraged by elements of the government, MYW and its affiliates such as the Girl Guides withdrew from the NCWK. Charging that the NCWK was composed of elite urbanites who did not care about rural women, the MYW officers bankrupted the organization and resigned their membership. NCWK had to rebuild from scratch under the leadership of Maathai, who was also the leader of the GBM. Of this period, Maathai writes, "For much of the 1980s, the NCWK and the Green Belt Movement struggled to survive, while from that time on, the regime labeled me "disobedient," and sought to curtail my activities and my voice" (2007:159). This persecution and harassment by the government was to remain a theme in Maathai's life through the 1990s.

Faced with the example of the co-optation of MYW and the division of the women's movement, Maathai sought to keep both GBM and NCWK politically autonomous and

in control of decisions regarding personnel, funding, and agendas (Tripp 2001:45). Maathai was somewhat aided in this process by the personal vendetta Moi seemed to have for her (Aubrey 1997:68). That KANU evicted GBM from its government-owned office building, arrested Maathai on charges of fear-mongering, and encouraged government officials from working with the movement gave GBM additional independence and freedom from co-optation (Maathai 2006:75–76). NCWK also remained politically neutral — condemning the tactics of both KANU and the opposition group, FORD, especially in consolidation of power by the executive and inciting ethnic tensions.

In effect, co-optation, division, and repression hindered the development of a strong and progressive women's movement. Despite gains made for women, particularly by NCWK and GBM, the movement would have been much stronger and more wide-spread had MYW had not defected in 1980. The political co-optation of MYW divided the movement and reduced its efficacy.

Political co-optation and repression are so wide-spread in Kenya that their appearance in the history of the organization of informal workers is expected. They are especially likely to arise in this case because informal workers compose a large sector of the population in urban and rural areas, have the potential for affecting votes, have a history of aligning with the opposition and demonstrating for their cause, and are politically unrepresented and marginal. What remains to be seen is how the use of co-optation, repression, and mechanisms of division by the government have affected the form or potential for an informal workers movement. The following section will discuss evidence of co-optation, division and repression of traders and how this has affected the organization and mobilization of informals.

## **The Informal Workers' Movement**

As discussed in Chapters 4 and 5, co-optation and repression have a long history of use in controlling traders' and hawkers' organizations. Under the colonial regime, informals were treated as dirty and diseased vagrants, the lazy unemployed, and criminals. Their movement was controlled through pass laws and their property was arbitrarily destroyed, while leadership from early hawkers' and traders' associations was given civil service jobs for abandoning their constituents and complaints. These policies affected traders and hawkers to a greater degree than small manufacturers, the latter of whom were generally viewed as being less dangerous and more likely to contribute to the nascent capitalist system (Hay and Harris 2007; Robertson 1997b).

After independence, working class Kenyans experienced a short period of celebration before becoming disillusioned by the continuation of many colonial policies that privileged the elites and constrained the poor. The post-colonial government continued to harass informals and conduct arbitrary raids and marketplace destructions (Obudho and Aduwo 1989). Informals from all sub-sectors of work felt that independence did not produce as many benefits for them as for the elites. The Kenyatta administration reduced the potential for conflict by distributing licenses preferentially to placate the leadership of the Nairobi Hawkers and Traders Association and other leaders in populist movements (Robertson 1997b:143).

Repressive measures continued after independence but were greatly expanded by President Moi following the attempted coup in 1982. To prevent the change to a multi-party system, President Moi ordered his police force to "use whatever force was necessary" to restrict the freedom of the press, the ability of the NCWK to meet, the selling of "subversive" music by traders, the organization of poor people in Nairobi, and to arrest protestors and destroy shantytowns and kiosks (Schanche 1990; Reuters 1990; Henry



1989; Maathai 2007). As the tide of dissent increased, KANU chairman Wilson Leitch employed incendiary language to urge youth-wingers and loyalists to chop off the fingers of the opposition (Associated Press 1990). Traders who took part in the rallies for multi-party democracy were brutally repressed before the government conceded by building them a new marketplace.

Recently, President Kibaki, who was first elected in 2002, lifted some of repressive state controls instituted by President Moi. The new administration claimed to have eased restrictions on opposition political parties, the ability to express political opinions in the press, and the assembly of large organizations (Republic of Kenya 2008). In many ways, Kenyans enjoy more freedoms today than under the colonial regime or Moi dictatorship. Populist movements have more space in which to operate now than in the past; however, the displays of state control during the attempt to restrict opposition party mobilization after the 2007 Presidential elections and the continued crackdowns on trader and hawker organizations call into question the legitimacy of the government's official policy (Horn and Lembethe 2007; BBC News 2008).<sup>16</sup> Ultimately, the State has maintained Moi's diversified portfolio of mechanisms of consent and coercion to deal with dissent, such that in periods of crises, the government tends to reinstate some of the more stringent controls in order to maintain control. Cycles of repression and concession have had the effect of placating hawkers' and traders' movements and creating internal divisions that have distracted members from the larger structural constraints.

Divisive mechanisms have also been employed that have reduced the potential for solidarity among informal workers. In the 1980s, President Moi implemented the ILO Kenya Report's suggestions in such a way that privileged small manufacturers (*jua kali*)

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<sup>16</sup>For example, state police appeared in Uhuru Park to prevent the 'Street Vendor's Rally' planned for the 2007 World Social Forum. Ironically, this rally was to occur at Freedom Corner in Uhuru Park, the location of the 1992 violent repression of the women's movement that served as a catalyst for nation-wide support (StreetNet International 2007).

while targeting hawkers and traders with more repressive measures. While structural adjustment and liberalization policies hit all informal workers particularly hard, MT-TAT and the World Bank's Voucher Program (MSETTP) were tasked with protecting small manufacturing enterprises from damages (Republic of Kenya 1992; Riley and Steel 2000; King 1996). *Jua kali* workers thus had more institutional support for their material and social needs; unlike traders, they did not have to constantly prove their worth and define their identity in the face of an antagonistic government while simultaneously defending their space from demolition. Similarly, police harassment has not been as significant of a concern for *jua kali* workers, due to their special treatment beginning with President Moi and subsequent relative ease in obtaining licenses. The City Council tolerated the "illegal occupations" of certain public spaces in Nairobi by *jua kali* metal artisans while conducting evictions of traders from other public lots (Macharia 1993:3). Recent research from UN-HABITAT supports these findings, suggesting that,

[*Jua kali*] sheds operate in a self-regulated environment and most have acquired city council licenses. . . . their craft is fully recognized . . . [they] fully comply with city council by-laws and there is very little conflict between them and the city authorities . . . In stark contrast with *jua kali* entrepreneurs, mistrust is well shared between authorities and street vendors in Nairobi" (2006:112).

In part, this mistrust stems from NCC's long-standing attempts to relocate street traders to marketplaces that were perceived to be far removed from customers in the CBD. Traders often viewed these attempts by NCC as a "way of running them out of business" instead of as a beneficent service (UN-HABITAT 2006:112).

Since independence the City Council has enacted particularly repressive measures on hawkers and traders that have served to separate them from *jua kali*. Arbitrary demolitions, bribery, police harassment, arrests, and forced relocations have been employed to control the hawker population at their expense. Most recently, the government forcibly

removed all hawkers from the central business district and destroyed their premises. This caused significant disruption and financial loss to thousands of hawkers.

Retailers also protested the 2008 increase in taxation without any attendant improvement in services in the marketplaces or increased access to annual licenses. NCC refuses to license hawkers partly for having dirty premises that do not meet health regulations, but the Council has reduced cleaning and maintenance services in the marketplace while increasing the collection of fees, according to traders. As a result retailers organized and paid for services that they believed should have been covered by the NCC taxes, including hiring security guards, street-sweepers, and sanitation services in the marketplace, on top of the increased tax rates.

NCC here is very bad and the government doesn't help us at all. They actually charge gate charges for items and follow you to your stall and charge again and again. NCC charges Ksh 25 everyday whether or not traders sell. Above all there is no water, security lights, and no public toilets. They don't clean the market (Interview 35b).

NCC doesn't give us the required services like cleaning and we have to pay daily for "nothing services" (Interview 43b).

City Council taxes have increased tremendously to Ksh 50 per day. We are now paying maintenance fees, unlike before, but cleanliness has worsened because City Council doesn't maintain the market; we are now paying security guards out of our pocket (Interview 130).

When we started ... it was a clean environment because City Council used to clean and burn rubbish. Today, though we pay, they don't clean. We have to hire people to clean (Interview 22).

Business has gone down since the NARC government took power; prices [of basic commodities] have increased; ... we started maintaining cleanliness here to the better (Interview 10).

Prices have soared high from the time we had Rift Valley fever last year. ... We are now paying Ksh 50 taxes per day that we did not have to pay be-

fore. On top of this, the City Council is charging special taxes for chicken and meat, unlike before (Interview 123).

The City Council is charging Ksh 25 twice per week but they don't clean well. ... Police harassment has also been increasing (Interview 158).

Furthermore, respondents were frustrated at government policies that limited the extent of the second-hand clothing trade while allowing cheap imports from Dubai to flood the market. One retailer stated, "Sometimes the government wants to ban *mitumba*. This has affected the way clothes are being imported here" (Interview 25). The arbitrary nature of bans and tax hikes implies to traders that the government does not value this segment of the population — this is in stark contrast to the verbal and physical support *jua kali* receive. According to traders and wholesalers, import taxes for used-clothing have steadily increased over the past decade, while Chinese goods were being imported cheaply through the Dubai free trade zone (Gikomba 7.20.07). A trader in Gikomba lamented that if the imbalance between Chinese and *mitumba* imports continued, she would consider shifting businesses; however, she felt pained to have to sell "those things of inferior quality" (Gikomba 7.01.08).

*Jua kali* manufacturers also suffered when the government increased taxes on basic commodities and import duties. In the 2007 budget, the finance minister slapped a 20 percent excise duty on imported used spare car parts, which deeply affected the ability of *jua kali* mechanics to find parts and compete with other industries (Daily Nation 2007d). Small manufacturers complained to the government that the increased excise duties in the 2007 budget opened the door for "cheap imports from countries with large production capacities like India, China, and Dubai [that] could also flood the local market" (Daily Nation 2007b:29).

Despite some shared grievances and a common history of repression, albeit at differing levels of intensity, there is no evidence that informal workers are looking to form an alliance that can collectively lobby the government. Hawkers and traders generally have a much more volatile and contemptuous relationship with municipal authorities than do jua kali, who seem reticent to bite the hand that feeds (UN-HABITAT 2006:112). KENASVIT has not addressed this concern of uniting the larger front of all sub-sectors of informal work since it continues to advocate on the behalf of traders and hawkers alone, in part because of the special treatment the jua kali have benefited from since the 1980s (KENASVIT 2009; Mitullah 2007). In particular, KENASVIT submitted a proposal to the Attorney General requesting the title of the proposed Micro and Small Enterprises bill be changed to “Micro Street Vendors, Hawkers and Market Traders and Small Enterprise Bill.” This move confronts the myth of homogeneity that clouds discussions of informal work and seeks to guarantee representation in the bill for sub-sectors of informal work that have historically been marginalized in government policy (The Street Trader 2007a:5).

Ethnic divisions have also been encouraged by the government, especially during election periods. Maathai faced such tactics when she tried to use tree-planting to bring peace to a region where ethnic conflict had been incited for political purposes (Maathai 2007:237). In response, KANU’s propaganda tool, the *Kenya Times* newspaper, claimed Maathai was “crusading for the supremacy of the Kikuyu.” Instead of letting such fear-mongering and incitement of ethnic tensions divide the GBM, Maathai used the opportunity to inform the international press about the ethnic cleansing occurring in Kenya and to encourage members of the international community to condemn Moi’s involvement in ethnic incitement (Maathai 2007:246). Maathai argued that,

Political and economic insecurity ...had led to an electoral outcome in which people voted along ethnic lines, as they believed that only leaders

in their own communities could protect their interests. Maathai . . . viewed ethnicity as a tool used by politicians and bitterly disagreed with those politicians who claim that Kenyans are polarized along "tribal" lines (Tripp 1996:301–302).

Officials promised favors to their own ethnic group as an incentive for future votes, striking fear that if a new ethnic group gained power their constituents would lose their preferential treatment. In some cases, these divisive tactics have proved detrimental to the actualization of social movements (Warah 2007).

After the 2007 election ethno-political tension soared in some parts of Nairobi, particularly in Kibera and Mathare, where rioters burned shops and homes that they believed to be owned by the ethnic groups favoring the opposite political party (Gettleman 2007, Gettleman 2008). These clashes led to the razing of Toi Market and the temporary closing of most other markets in Nairobi. Traders in the reconstructed Toi Market reported that many Kikuyu had not returned to the marketplace six months after the violence since they still feared for their lives (Toi 6.20.08). Even in marketplaces where there was no violence, traders were affected by its threat, as evidenced by traders I interviewed in June and July of 2008.

Gikomba was not closed by clashes as such. But violence in the city used to spew here causing stampedes and fear here. This meant that customers were not coming to town hence no business. . . . All of my neighboring traders closed their stalls and we lost revenue for all those days. No one was an exception in the whole of the market (Interview 1b).

Around here property was not looted, our merchandise was left intact but we lost money as we closed for several days (Interview 28b).

People closed down stalls, tension was very high and because we deal with perishables, losses were inevitable. People went home and those people remaining were very fearful. Business was very low. Those who come here stopped and went to buy at supermarkets (Interview 37b).

When we ran away our kiosk was looted in this area. We lost all our property but they didn't burn our stalls. Other people were not so lucky (Interview 68b).

Six months after the clashes, retailers still reported a significant reduction in earnings, in part due to reduced customer levels. Despite the lack of marketplace violence in Gikomba, retailers noted that customers were reticent to return. One man who had been selling in Gikomba for ten years responded that, "Business has come back only by 40 percent because we used to rely not only on Nairobi customers but people from across the country. These customers are not coming to buy as they are treating it as a tribal war, even in business" (Interview 22b). Respondents in City Park saw a drastic reduction in Asian and Korean customers while retailers in Gikomba noticed a decline in Tanzanian clients. Likewise, a 38 year old Kikuyu retailer who had been selling for ten years in Kawangware noted the decrease in familiar faces as "Many old customers left this area and went back up-country, especially mothers took children home, and now we are relying on purchases from passerbys (Interview 70b). A male Akamba retailer at Toi who lost his stall in the fire commented, "I used to communicate to [my customers] by phone but now only a few are available and many fear to come back here while others occasionally come and are surprised to find we have come back" (Interview 94b). Despite the lower levels of tension, customers were only trickling back to Nairobi, but many retailers expected their full customer base to ultimately return with the formation of the coalition government.

Some retailers also speculated that while tensions were decreasing now in the marketplace, they would likely arise again during the next election. One lamented, "Tribal animosity is waning as days go by but it will not be healed at all. After five years we may see the whole scenario replicated again" (Interview 52b). In general, retailers were reticent to speak about tribalism and downplayed its relevance in business. However,

when pressed, many admitted that the present political situation had brought ethnic affiliation to the fore, even in the marketplace, and that there were still elevated levels of ethnic tensions six months after the poll violence.

In and out here life has been changed by tribal hypersensitivity and mistrust — the sensitivity is now automatic between Kikuyus and Luos. Even when they have rented houses from each other (Interview 24b).

Tribal tensions are still ripe though not very open around here — though we are still working together (Interview 32b).

Tribal animosity though suppressed but still it is there. People are kind of pretending but they are still not happy with one another (Interview 45b).

I have reduced my interactions with Western/Nyanza provinces business friends here. Mistrust is still very high on the agenda here (Interview 17b).

Tribal sensitivity is high, especially between Kikuyus and Luos at the market. . . . We can't sell late at night like we used to before. Today we are in by 9pm due to insecurity (Interview 19b).

There is mistrust from Kikuyus, who believe they are more superior than others, that will remain there but our movement and intermingling is still there. Security here has deteriorated. Many boys have no work. I have been mugged three times since January here causing a lot of fear (Interview 22b).

My customers still are not coming. Especially many of my customers from the Rift Valley are still fearing that Kikuyu people may want to revenge the election killings hence they are not coming for items (Interview 41b).

Currently, the very real feeling of grievance and suffering caused by opposing ethnic groups has created divisiveness among informal workers. For example, a male Akamba trader in Toi reported that, "People are now buying only from their tribesmen. Even stalls are occupied along tribal lines" (Interview 96b). Creating a unified agenda based on occupational rights that mitigates the recent wounds of ethno-political animosity is a serious challenge for KENASVIT.



KENASVIT has employed strategies similar to those used by the women's movement to reduce ethnic tensions among members. It has drawn its membership from over nineteen ethnic groups and vowed to remain apolitical to mitigate political attempts to fragment the base. Yet, the 2007 Presidential elections show how tenuous these strategies are when the government rallies supporters through ethnic favoritism. Identification with an ethno-political group is currently much stronger than the affiliation with the non-political occupation-based alliance. Evidence of this was also found in a conversation with the chair of Kibaki's reelection campaign. He discussed how everyone from MPs to Provisional Commissioners, District Commissioners, and Divisional Officers were supported by the government in their candidacy based on ethnicity and then were expected, if not mandated, to produce a certain number of votes in their constituencies in return during presidential election years (Upper Hill 06.16.07).

The effect of ethno-political affiliation on KENASVIT was evident during the months following the contested Presidential elections. Especially in towns where ethnic violence was most prevalent, the urban alliances disbanded or were seriously crippled by interethnic tensions. Alliance feedback was collected in January of 2008 with members reporting, "The contested appointment of a vice president from the Akamba community has provoked hostility towards members of the Akamba community in Mombasa" and "Ethnic hostility has flared among the land officials who oversee matters related to members' vending space, the impact of which will likely take time to resolve" (Unitarian Universalist Service Committee 2008). KENASVIT chairman Simon Sangale, who failed in his recent bid for a government position, lamented, "I was not able to penetrate the hawkers because of the politics of Kenya today where ethnic and social background, wealth and prestige are the major attributes that voters are interested in" (The Street Trader 2007b). Recent evidence suggests that despite its call for political neutrality and its attempt to construct an identity based on being a trader or street-vendor under

an urban alliance, KENASVIT was not able to supersede the ethno-political identities fomented by the political parties seeking power (Unitarian Universalist Service Committee 2008). KENASVIT's short and long-term policies for addressing such events (which are likely to reoccur in the future) may be the best indicator for measuring the organization's confidence that it can resist the attempts at divisiveness co-optation, and repression.

## **Conclusion**

Unfortunately organizations fighting for women's and informal workers' rights have faced division, co-optation, and repression in their quest for representation. In the case of the women's movement, evidence shows that the government attempted to bankrupt the NWCK and destroy elements of the women's movement they disapproved up by bringing MYW under the auspices of KANU. The NCWK had to rebuild the women's movement from scratch but resolved to remain politically independent in the future. This political independence limited the amount of co-optation possible by the government and helped the women's movement grow.

In the case of informal worker mobilization, the evidence shows that the government has made a number of attempts to co-opt the leadership and quell riotous members. Previous chapters gave several examples of this, including the building of new marketplaces and the distribution of licenses after periods of hawker rioting. It remains to be seen if KENASVIT will have the resolve to resist future attempts to stymie the movement as it grows stronger and more likely to draw the attention of the government.

One positive indicator of the presence of this resolve is that the question of the appropriateness of KENASVIT officers aspiring to political office while maintaining their

positions at the alliance is being discussed in light of Chairman Sangale's recent political quest. Some suggest that "officials aspiring to contest political office are inviting politicians to meddle in the affairs of the association, opening up the associations to be viewed as political establishments. ... These ambitions should not be allowed to threaten the stability of the informal traders associations" (The Street Trader 2007b:10). However, Sangale argues that a position in government could facilitate trader demands in the Micro and Small Enterprise Bill and bring attention to the plight of hawkers and traders everywhere. Given this history of government co-optation and division of organizations disliked by the government, it is crucial for KENASVIT to institute a firm policy protecting its autonomy.

## **6.2.6 *Characteristics of a Social Movement: Scope and Support***

### **The Women's Movement**

Affirmation of the uniqueness of "womanhood" increased in relation to International Women's Year (1975), which spawned the United Nations Decade for Women (1976–1986). These events culminated in a World Conference held in Nairobi that introduced institutional recognition and support for women's rights (Beneria 1992; Tinker and Jaquette 1987). The conference also helped some Kenyans develop awareness for issues women faced for simply being a woman. Yet, with the break between MYW and NCWK, the women's movement had to shift to developing legitimacy and attracting supporters with a focus on more universal frustrations with human rights abuses by the government. These more general concerns were not strictly "women's empowerment" concerns, but they gave women a base for mobilizing against tangible grievances felt by a large segment of the population. This in turn generated legitimacy and visibility for

the struggles of women (Tripp 1996; Maathai 2006:39, 72). Only later was the NCWK able to turn this tide of mobilized women towards a movement for a greater inclusion of women in leadership roles and other gender-specific issues (Maathai 2007). The women's movement had to sacrifice some of its more specific goals to attract membership but ultimately formed a broad-based movement fighting for a number of populist grievances.

NCWK's shift to broader issues helped them generate a number of international donors. Mobil Oil sponsored the initial funding of the GBM and with later funding coming from Denmark, Sweden and Canada. Large international organizations such as UNIFEM and UNEP donated to GBM through the NCWK while funding rolled in from Austria, Norway, the U.S., Japan, Finland, Germany, the U.K., and the Netherlands. Maathai also developed international support through her international appearances. Beginning in 1976 when she attended the first United Nations Conference on Human Settlements (HABITAT I) held in Vancouver, Canada, Maathai developed international contacts that she nurtured over the years. Over time, they yielded support for GBM both under and separated from the auspices of the NCWK.

In part due to NCWK's lobbying, President Kibaki, in collaboration with the UN, ILO, International Fund for Agriculture Development (IFAD), and Equity Bank, has recently launched a new program, "Promoting Women in Business and Investment," aimed at training women and increasing their access to financial resources (Wafula and Kazungu 2007:25). Equity Bank is planning to open three new branches in Nairobi catering only to women (Daily Nation 2007e:34). The government has also introduced a Women's Fund with a budget of Ksh 5 billion to provide loans to female-owned businesses (Barasa 2007:24). Multilateral and state policies have helped to demarcate a distinct social category, around which a collective identity has begun to develop.

International funding and support has been crucial in helping the women's movement become an effective social movement. International donors contributed substantially to the strength of the women's movement by providing much needed funds for initiatives, leadership development, awareness-raising activities, and organizational overhead. In particular, bilateral relationships were forged between the aid arms of Northern governments and NGOs in Kenya. Without such funds, many of the organizations leading the fight for women's rights would have become defunct, composed of only wealthy elite women, or even more vulnerable to government meddling as a result of promised financial support.

International women's conferences held in Nairobi from the 1970s onward have also helped to develop a sense of identity, and solidarity among Kenyan women. Meeting women seeking to improve the status of women in other countries has expanded the vision of women in Kenya and helped them see how, as the 2007 World Social Forum in Nairobi emphasized so appropriately, "another world is possible." But has the informal workers' movement had similar success attracting international support?

### **The Informal Workers' Movement**

The KENASVIT leadership started the process of defining the alliance's goals through several conferences in 2005 that established a mission statement and constitution. While emphasizing advocacy and training, KENASVIT delineated two main goals: to create alliances among small associations of street vendors and informal traders across the traditional boundaries of gender, ethnicity, and geography; and to create alliances between vendors, traders, and powerful local authorities (Mitullah 2006). The first goal reflects the desire to help hawkers and traders transform their own identity frames through the sense of power that comes from translocal organization around similar objectives. The

latter goal seeks political reform to improve the material conditions of informal work. In particular, by building relationships with local political institutions the organization seeks to strengthen hawkers and traders business rights, including the right to vend and the right to a work-space with infrastructure such as shelter, water, electricity, and sanitation (Kreilick 2009).

Similar to the women's movement, there is evidence that KENASVIT has been able to achieve some modest success by locating its goals under broader campaigns for social justice. One example of this strategy was its link to the 2007 World Social Forum under its theme of "Another World Is Possible" (StreetNet International 2007). KENASVIT organized a street vendors rally on the theme of "No! To Poverty and Inequality" (The Street Trader 2007a:2). Kisumu and Nakuru Urban Alliances have also partnered to draw attention to the prevalence of HIV/AIDS among street traders and hawkers as part of a larger campaign to make VCT testing more accessible (The Street Trader 2007a:13). To build broad-based support KENASVIT has also successfully partnered with other organizations outside the scope of informal work (Okello 2007a). For example, KENASVIT has worked closely with the Kenya Land Alliance to design urban land policies that designate space for informal work (Kreilick 2009).

Yet, KENASVIT has also focused on more narrow concerns unique to street vendors and informal traders. In particular, it participated in the drafting of the Micro- and Small-Enterprises Bill, prepared a motion on street-vending and presented it to Parliament, and is planning a national conference to discuss the bill (Mitullah 2007:3). Urban alliances in particular are often more focused on local concerns than broad human rights issues. For example, NASTHA, the Nakuru Urban Alliance, made a banner for the WSF that read "Land Space in the CBD is our Right: Let the Hawkers Trade" (The Street Trader 2007a).

The decentralized structure of KENASVIT gives relative autonomy to each urban alliance when determining localized goals and objectives. While two of the seven alliances had not composed distinct mission statements and goals as of 2007, the remainder of alliances wrote mission statements that closely mirrored that of the umbrella organization. However, a few included additional goals such as “creating space for holistic socialization;” “to supplement the governments [sic] effort in reaching the urban and rural poor, and the unemployed in the fight against poverty, HIV/AIDS, drug abuse, environmental degradation and insecurity;” and “to ensure equal representation of women and men in leadership at all levels” (The Street Trader 2006:5, 6).

The benefit of this organizational model is that it allows for grassroots development where the community is deciding its priorities based on its own grievances and values. However, this organizational structure can also make it difficult to create unifying goals and have members identify with these overarching ideas. For example, the Mombasa Urban Street Traders Alliance (MUSTA), one of the seven KENASVIT urban alliances, reported that it “faces challenges of splinter groups” as the values and interests of individuals diverge from the group’s mission (The Street Trader 2006:3). The issue of negotiating complex identities and often-divergent values when building a social movement is a significant challenge that threatens the viability of transforming from an organization to a social movement.

While developing grassroots mobilization, KENASVIT has also sought to build an international presence. It has partnered with international organizations such as WIEGO, StreetNet International, and Unitarian Universalist Service Committee that help to increase its visibility; its leadership has been invited to participate in conferences in South Africa, Senegal, Brazil, Ghana, and South Korea and it has hosted delegations from Denmark and Nepal (Okello 2007b; The Street Trader 2007b). All of these net-

working activities have provided the opportunity for KENASVIT members, particularly the leadership, to build connections with international organizations and solidarity with other informal worker organizations. As we saw with Maathai and the women's movement, these international connections that started before she had even joined NCWK were foundational in the future success of GBM.

## **Conclusion**

Evidence from the women's movement suggests that developing a broad agenda is necessary in the early stages of a social movement to generate wide-spread support and identification with the movement, but goals and actions must narrow over time to prevent fragmentation and the disintegration of the movement. KENASVIT has negotiated this challenge by pairing over-arching national level goals with local level goals particular to each urban alliance. However, the national agenda of KENASVIT is still narrowly focused on hawkers' and traders' rights. While this work acknowledges the distinction between sub-sectors of the informal labor forces and the favoritism showed to the *jua kali* over other sub-sectors, it also sees the potential for solidarity among informal workers that could lead to a very strong base for a social movement.

In July 2007, KENASVIT organized a workshop to discuss the Micro and Small Enterprises bill, inviting delegates from the seven urban alliances, the Community Organization Practitioners, Kenya Private Sector Alliance, IDS-Nairobi, and the Ministry of Labor. Conspicuously absent were other informal stakeholders, including representatives from the Jua Kali Federation. Their absence was noted as a limitation and a following forum was organized that included the Federation, Maasai Market Traders, Disabled Small Scale Traders Association, and Fisher folk. Other informal groups not present would be sent a copy of the revised draft of the Bill (Okello 2007b). This ev-



idence suggests that KENASVIT is aware of potential partners in their cause but are wary of aligning too closely with them until their organization grows stronger.

International support has both strengths and dangers. As seen through the women's movement, foreign donors can provide funds and resources that are not available within the country, generating growth for an organization that otherwise would not have had the opportunity. International funding can also strengthen an organization's autonomy from threats of political patronage by relieving its reliance on the government for support. However, international support can also have the effect of shifting the values of the organization so they more closely parallel those of the donor. To win bids for funding, organizations may design new initiatives that are not in line with their current goals and that may end up fragmenting its overarching agenda. So far, KENASVIT has limited international donors but evidence has already shown that this support has influenced the organizational structure and leadership representation. It will be important for the organization to monitor such interventions as they occur and determine if they strengthen or weaken the overall agenda.

### ***6.2.7 Characteristics of a Social Movement: Group Identification***

While the majority of social movements are not interested in purely political/material or identity/cultural reform, the debate over the exact role collective identity formation plays in social movements has been long-standing in social science (Kurtz 2002). Is a sense of collective identity necessary to ascribe to the goals of the movement and to view them as compatible with deeply-held personal values and beliefs? From personal experience, Gooding (1999) argues this is true, "To build long-term commitment to the union and the labor movement, people have to see themselves reflected in the institution's priorities

and practices. It is not only ideological, but pragmatic . . . Integrating identity strategies can be a critical part of a 'winning strategy'" (Kurtz 2002:xxx).

Or, is group identity an outcome instead of a foundational component of social movements? Giddens et al. (2005:400) argues that "new social movements are a form of 'expressive logic' whereby participants make a statement about who they are: Protest is an end in itself, a way of affirming one's identity, as well as a means to achieving concrete objectives." Identity in this case is created, transformed, or affirmed through the process of participation in the social movement.

Evidence from Kenya's women's movement suggests that at least in this instance, collective identity is both antecedent to and a product of mobilization. Since a full-fledged workers' movement has yet to materialize in Kenya, it is hard to know whether identity formation/affirmation will be an outcome of any potential future mobilization. However, for the present, we can examine the evidence for group identification prior to the actual mobilization.

Within the sub-sector of informal work, *jua kali* social identity has been constructed as unique from the social identity of traders and hawkers. Colonial and post-colonial policy favored the small-manufacturing sub-sector of formal and informal work, fragmenting the likelihood of unified working-class goals. At the same time, the boundaries among sub-sectors of informal work or divisions between informal and formal work are continually shifting. Workers can participate in multiple informal sub-sectors or informal and formal activities within the same working day, making it difficult to distinguish between values among informal subsectors and between informal and formal workers. Collective identity formation can benefit from the shifting nature of informal work since many workers have experienced the needs and demands of other subsectors of work.

Yet even within the same sub-sector collective identification can be difficult to develop. One urban alliance under KENASVIT reported that, "Since there are hundreds of street vendors and small traders' welfare groups in Migori Municipality with different objectives, formally it was difficult for these groups to speak with one voice to influence the policy decisions of the local authority" (The Street Trader 2006:5). Given the lack of clear and consistent identification with any one sub-sector of the working class, other social categories, most notably ethno-political affiliation, have been used for primary collective identity formation.

As Klandermans (2008) argues, collective identity can be formed through identifying as a subordinate group with a strong desire for more respect from a more powerful group. In some cases, groups coalesce over persecution and channel this common ground into a social movement that contests the power of the oppressor. Informal workers in Kenya have certainly faced persecution but have not recently coalesced using the collective identity of the informal worker to channel their anger. Instead, Kenyans recently visibly expressed their deep-rooted anger through ethnic clashes after the 2007 Presidential elections.

### **6.3 Conclusion**

This chapter explored the private and public contestation of discourses of power by hawkers and traders. In private, retailers used small associations to affirm their sense of self-worth, productivity, organization, rationality, and morality. When faced with wide-scale harassment traders formed associations and engaged in broad-based riots against police and government harassment. Despite these violent confrontations none have resulted in the mobilization of informal workers beyond the immediate period.

Surprisingly, the two instances of the mass mobilization of informal workers occurred during periods of strong state oppression.<sup>17</sup> During the State of Emergency, the colonial administration sought complete control over Nairobi by removing traders, burning marketplaces, instituting curfews, and preventing meetings. However, informal workers who launched an urban battle through *Anake wa 40*, in collusion with the rural elements of the LFA (*Mau Mau*), were a significant factor in the drive for Independence. The second example occurred in the late 1980s when informals joined the movement for multiparty politics after the *Saba Saba* demonstration. This era of extreme repression and state-sponsored violence under Moi rivaled the brutality seen under the colonial administration (King 1996:33). Ultimately, the Moi administration realized that the violent measures were instigating a nascent class mobilization and began to employ various mechanisms including repression, coercion, co-optation, and the creation of social boundaries to prevent working class mobilization.

Although on the surface, these movements appear to have formed during the periods of heaviest state oppression, in reality, the infrastructure to support these movements was constructed during the periods prior to heavy state repression. Similar to the women's organizations that took almost forty years to collectively mobilize, these groups had been preparing for years — sharing grievances, developing goals, collecting members, initiating leadership — but only became *visible* when their mobilization was triggered by a series of violent events. However, in both cases, this long period of mobilization had been geared toward larger nationalist causes, and when these goals had been achieved, the informal workers, as a participant sub-group, could not maintain the momentum of the movement to fight for their own rights.

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<sup>17</sup>However, both of these mobilizations were couched in a larger nationalist movement organized around grievances that affected the majority of non-elite Kenyans, and neither of these mobilizations spurred a social movement to fight for the rights of informal workers alone.

It remains to be seen whether the recent development of a national-level umbrella organization to unite hawker and trader interests during a period of reduced repression can build a strong enough alliance to mobilize effectively once provoked. A review of the evidence presented in this section reveals several key weaknesses that KENASVIT may need to address in order to generate a social movement with lasting effects.

First, KENASVIT and its urban alliances are still young and their macro-organizational structure is relatively unformed and weak. Poor communication between members and leaders has led to suspicion, mistrust, and the near collapse of at least one urban alliance. Communication within and between alliances needs to be improved to address problems before they result in disbanding an alliance.

Far from having to derive new communication strategies to unify isolated individuals, leaders of a social movement of informal workers have a variety of existing pathways to help mobilize members. Retailers have adapted methods for cost-sharing of information by “subletting” the daily newspaper. A large number of retailers read at least part of a daily newspaper everyday, creating the potential for newspaper ad-based mobilization. In some areas of the marketplace, the common use of radios could be turned into a mechanism for disseminating messages concerning mobilization. Also, the high percentage of cell-phone users in the marketplace surveys (in my survey, nearly 60 percent had a cell-phone for business purposes) also indicates the possibility of mass communication via cell-phone texting. Currently however, cell phones are currently used within the marketplace primarily for business and social purposes and not for political organization, according to my survey.

Second, precautions must be taken to find dynamic and effective leaders that will respect the members, honor the constitution and submit individual interest to the interests of the group (The Street Trader 2006:7). A strong leadership will have a better

chance at creating unifying goals that are inclusive but also concrete and actionable. To this end, KENASVIT has been implementing Urban Alliance Induction seminars that focus on improving leadership skills, conflict management, transparent record-keeping, organization, communication, and resource mobilization (The Street Trader 2007a:5). Organizational processes also need to be delineated to clarify the relationship and responsibilities between members and the leadership. The leadership must be beyond reproach to avoid political patronage or co-optation and must create legitimacy and trust through transparent and ethical practices.

Third, political co-option and patrimonial favoritism have not only stunted local leadership development but also affected the continuity of informal workers' organizations. Traders have been exposed to a variety of institutional programs designed to benefit them; however, the majority of these have been decapitated, disbanded, or co-opted, leaving traders reticent to invest heavily in another transient institution. Consistent leadership and broad-based, actionable goals need to be developed that can expand the membership and produce real results through a social movement.

Fourth, mobilization of a large-scale informal workers' social movement has been hindered in part by the government's successful policies to divide informal identity based on occupation and encourage ethnic allegiances. Evidence also suggests that while informal workers share grievances due to their social position, they may not be aware of their compatibility or collective power if united in one movement. For the time being, alliances based on ethno-political affiliation, gender, and age are more central to informal workers' sense of identity than occupation or social class.

Fifth, traders and hawkers were heavily influenced by policies encouraging training and micro-finance advocated by multilateral agencies. Four of the five urban alliances of KENASVIT that stated organizational goals included measures to increase access to

credit facilities and training of retailers. The use of foreign frames to define local issues needs more exploration and the organization must be careful not to mirror MYW's early example of mobilization around externally-perceived needs or deficiencies.

The women's movement in Kenya drew its power from being able to unite the interests of its membership, composed primarily of small self-help groups, across a diversity of social categories often used by politicians to divide. Strong leaders, such as Wangari Maathai, were able to create a collective identity based on a shared recognition of the daily struggles of women and then use this identity to build momentum for political lobbying and social change. There remains hope that private resistances and the small associational forms observed in the marketplaces are a starting place for building larger collective mobilization among informal workers that can lead to a social movement. Strong leadership, large organizational forms, international supports, and broad agendas are beginning to take form in order to counter the powerful elements of co-optation, division, and repression.

The following chapter will return to the hypotheses delineated in the first chapter and evaluate what progress we have made in answering our research questions. The chapter will conclude with a discussion of potential directions for future work.

## CHAPTER 7

### CONCLUSION

Foucault urges an analysis of power based on an understanding of the intersection of power, knowledge, and right. In particular, he is interested in how the three spheres work together to both legitimate and mediate power and how this is experienced in the margins of society. This dissertation has applied Foucault's method of analysis to another marginalized social group — informal workers — by exploring outcomes of the interactions of powerful forces at the international and state level. In keeping with Foucault's understanding of power as a web, this work has also explored ways informal workers contest macro-level expressions and techniques of power and exert their own forms of power. This chapter will synthesize the findings by reviewing the three hypotheses proposed in Chapter 1 and summarizing the evidence for and against each hypothesis as presented in this study. The chapter will conclude with recommendations for future work that may expand the ideas presented in this thesis.

#### **7.1 Hypothesis One: Power Relations in the Field of Informal Work**

Academic institutions, international organizations, state and local government, and local social movements influence the construction of informal identity, albeit with differing levels of influence.

The influence of multilaterals and the Kenyan State was evident as this dissertation traced the history of the conceptualization of informality from the early 1900s. This section will discuss international influences and their effects on a broad, global understanding of informal work.



### **7.1.1 International Power Relations**

The world system is composed of powerful actors, only some of which are nation-states. Since the rise of the Bretton-Woods system, large multilateral agencies have emerged and played an important role regulating and monitoring the world system. The widely-held view that these regulatory bodies are independent, beneficent third-parties that seek technical solutions to the world's problems has been recently challenged. The Bretton-Woods institutions were designed to help rebuild Europe and scholars have provided evidence that shows that they have continued to represent the interests of the most powerful Northern States (Boas and McNeill 2003; Hoover 2003; Cammack 2004; Mitchell 2002, 2006; Elyachar 2005).

Foucault argued that, “we cannot exercise power except through the production of truth” (1977:93). Evidence presented in Chapter 3 reveals the ongoing “production of truth” by the multilateral apparatuses. These institutions rely on research conducted by consultants, very often actors associated with elite Northern academic institutions. While a range of research stems from the academies, only certain theories and models are adopted by the multilaterals. What explains this narrowing? This work found that that multilaterals produce “truth” or knowledge that is relevant to their goals and desired outputs. This production ultimately privileges certain types of knowledge and forms of solutions, such that research using these mechanisms are more likely to influence policy. We found that the most powerful multilaterals, in this case the World Bank and IMF, tend to privilege knowledge that adheres closely to the dominant development paradigms of Northern states.

These paradigms changed over time as influenced by political shifts and empirical analyses that revealed flaws or inconsistencies in the theories that made up the paradigm. In the field of informal work, the fundamental theories and models used by multilaterals

to explain the rise of an “informal sector” and justify ensuing policy recommendations emerged from modernization theory. This perspective was closely related to the U.S. State Department and its foreign policy at the time that focused on the ideological battle against communism (Tipps 1973:200). Under this paradigm, focus was placed on developing rural labor and the modern sector, ignoring the plight of informals based on the assumption they would eventually be incorporated into the expanding modern sector (Rostow 1960; Kuznets 1955; Fields 2004b, 2007b). A dualistic perception of the labor market generated the understanding of informal labor as unproductive, transitory, and a holding pond for rural migrants, a view that has been hard to shake (Sethuraman 1981:63; Mazumdar 1976:55; Fields 2001:36). Moreover, modernist perspectives influenced generations of urban planners and municipal officials who focused on processes of efficiency and productivity when organizing African cities. As part of the “unproductive” sector, traders were not given space in the city and were treated as trespassers without legal rights to their livelihoods (Setsabi and Leduka 2008).

During the 1970s, modernization theory was challenged by dependency theory and while the latter was never well-incorporated into the multilateral apparatus, a less radical form of it briefly appeared in the Redistribution with Growth (RWG) paradigm recommended by the ILO’s World Employment Programmes. RWG impacted the global conceptualization of informal work by arguing that informal labor had tremendous potential as an engine of national development *if* it was supported through programs providing training, access to capital, and organizational development to informal workers (Singer et al. 1998). Although the RWG paradigm was not long lasting, it did point to enough problems with the former paradigm that it advanced the beginning stages of a paradigm shift to neo-classical/neo-liberal economic theory.

In the 1980s, informals became a centerpiece of the justification for neo-liberal policies. Informal workers were portrayed as an untapped resource for domestic economic growth that could *help themselves if only the government could just get out of the way* (de Soto 1989). This view paired well with programs that limited the State's role in development to "providing an enabling environment" (WB0 2000). Informals were front and center of World Bank campaigns such as the World Bank Voucher Programme that sought to improve micro-economic conditions through private sector development (Riley and Steel 2000). However, many of these programs never took off after the initial investment by the World Bank and informals (and other marginalized groups) were left neglected by the state and abandoned by the private sector (Goldmark 2000). Jeremy Seabrook (1996:176) summarizes the effect of this discourse of self-help, "By demonstrating the ability, the courage, and the capacity for self-help of the slum people, the way [was] prepared for a withdrawal of state and local government intervention and support." The same can be said for the plight of informal workers.

Finally, while the issue of "right" at the international level is outside the scope of this dissertation, it is important to at least identify the third leg of Foucault's triangle of power relations. At the international level, Foucault's understanding of "right" is best exemplified by other multinationals such as the United Nations system that regulates the global system through conventions and treaties. Conventions on topics such as human rights, the rights of the child, torture, terrorism, and the rights of persons with disabilities have influenced the discourses established by multilaterals and have helped to both legitimize the power of multilaterals and circumscribe their reach. In the case of informal work, the ILO played a role in formalizing norms and regulations through the Employment Policy Convention of 1964. Through this vehicle, the ILO committed governments to adopt "active full employment policies" that were later monitored by the ILO's World Employment Programme (McNeill 2004:43).

Yet, while international bodies have played a significant role in the generation of economic theories and policies that have contributed to a global understanding of informal work, national powers have had a more direct effect on the daily lives of informal workers. The following section will discuss national power relations in the context of the Kenyan State.

### **7.1.2 National Power Relations**

The last century of rule in Kenya provides a backdrop for studying the interaction of power, truth and right. In particular, the colonial regime, the independence government under Kenyatta, and the autocratic era of Moi were explored.<sup>1</sup> Power in all regimes was extremely autocratic, with the role of the judiciary limited to legitimating and propping up the colonial/executive apparatus (Mutua 2001; Ikiara et al. 2004).

The colonial government, and more broadly the British crown, propagated a number of discourses concerning the economic, physical, moral, and intellectual superiority of the European. These discourses ultimately were used to justify the subjugation of Africans on many fronts. This thesis provided evidence that the understanding of Africans as a “backward people” who needed to be cared for by the self-reliant, hard-working, friendly, and generous English race was a widespread norm among Kenyan settlers (Wipperfurth 1975:100). Moreover, Kenyans were widely seen as laggards who needed an incentive to work, one that colonists were only too happy to provide. An early manual for the colonial officers states,

The pastoral races are by temperament disinclined to undertake manual labour, while the agriculturalists lost the last stimulus to strenuous effort

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<sup>1</sup>The most recent regime under Kibaki was given less consideration because it is so young (2002–present).

when the menace of the slave raider and the Masai was removed on the establishment of British rule. In order, therefore, to incorporate the native in the rapidly extending industrial system of the European community in British East Africa, some new motive to effort has to be supplied. Such incentives as exist at present are the desire to accumulate stock and wives, the necessity of obtaining the wherewithal to pay taxes and . . . the desire to purchase European commodities (Geographical Section 1920:466).

The British colonial government attempted to derive legitimacy for its intervention for material gain in part by normalizing discourses of superiority. While many Kenyans accepted European superiority as a norm, fewer translated this into a legitimization of European rule. Throughout British colonial rule there were always elements that demanded self-determination (see Koinange 1955; Pankhurst 1954).

Thus, a judicial apparatus was necessary to enforce laws and regulations that supported discourses of superiority propagated by the colonial regime. The British legal and parliamentary system was adapted to Kenya, heavily favoring Europeans (Mutua 2001). Social reproduction was controlled through legal instruments such as the Registration of Natives Ordinance and the Masters and Servants Ordinance. These enforced a strict segregated social hierarchy through housing, movement, and employment controls that forced Africans into the most squalid areas of town thereby creating conditions that supported the discourse that Africans indeed must enjoy filth because they lived in filthy areas (see Furedi 1973:321; Robertson 1997b:12–13).

Sexual reproduction was also controlled through the Employment Act by discouraging the wives of urban laborers to live with them in the city and by conducting regular evictions of prostitutes (White 1986; Bujra 1975). This dissertation highlighted how the entrance of women into retailing was facilitated because women could not provide industrial labor and prostitutes had to have “legitimate” employment to remain in the city, thus forever changing the face of urban informal labor.

The myth of the superior “productive capacity” of the colonists was also supported by regulations such as the Hut and Poll Tax Ordinance, the Agricultural Ordinance, and the Market of Natives Produce Ordinance, which indentured Kenyan men and women to the cash crop system and limited trade and indigenous enterprises. The Credit to Natives Ordinance of 1926 was imposed to restrict the credit available to Kenyans seeking loans to start large enterprises. When legal tactics were not enough to keep workers from retaliating, the administration made concessions, such as slightly increasing available licenses to appease unhappy traders (Robertson 1997b; Furedi 1973).

The colonial administration also used coercion, most notably through “pacification schemes” and forced evictions, to further its economic and political interests (Bryceson and Potts 2005:185–186). The use of force increased significantly as the colonial government felt its power slipping and declared a state of emergency in 1952. The criminalization of trading and brutal eviction of traders from Nairobi to rural internment camps increased substantially during this time. During the Emergency, traders were labeled as subversive and were treated as dangerous criminals and health hazards. Hawkers and traders could be removed at will through the laws such as the Vagrancy Act and the Public Order Ordinance (Robertson 1997b). Although the popular perception of informal workers has improved over the years, in part because so many Kenyans now generate at least some of their income from this type of labor, this negative perception was foundational in creating their identity as marginal and unwanted members of society.

The first president of independent Kenya used the discourses of Africanization and *Harambee* to explain his economic and political policies. Africanization was implemented through the Trade Licensing Act of 1967, which tightened regulations for renewing a license to the point that it restricted the involvement of non-Kenyans in trade.

The Act also restricted non-Kenyan enterprises to major urban areas and uncommon commercial goods (Swainson 1978). While this policy may sound like it would be beneficial to the increasing numbers of Kenyans without formal jobs, Africanization essentially came to represent the process by which Kenyatta privileged family members, Gikuyu, Embu, and Meru Association (GEMA) elites, and other loyalists by installing them in high-ranking political or industrial positions and/or giving them economic control over modern-sector industries (Bryceson and Potts 2005:186). Despite the pan-African origin of Africanization, Kenya remained a highly unequal capitalist state and African Socialism was merely an intellectual construct.

Africanization proved to be of little benefit to hawkers and traders, the plight of which Kenyatta either ignored or exacerbated through iterative policies of marginalization and repression. This treatment was not much different from that which characterized informal work in the colonial period. Moreover, the discourse of “productivity” under the paradigm of modernization theory was used to define labor sectors to the detriment of informal workers. Since trading activities were considered unproductive and traditional, to be eliminated with modernization, this theory was ultimately used justify the poor treatment of informals. Operation Clean Up expelled thousands of traders justified by this new discourse of “productivity” and the perpetuation of colonial era discourse that portrayed informals as filthy vagrants that endangered the moral and physical fabric of public space (Robertson 1993). The answer to this problem of “vagrancy” was modernist city planning that emphasized order, control, and efficiency, necessitating an eviction of those not viewed as fitting this understanding of “proper” urban activities (Brown and Lyons 2010). The discourse of vagrancy was used to perpetuate the notion that informals had no place in or right to conduct their work in the city.

The counterpart of Africanization was Kenyatta's notion of *Harambee* (self-help). This policy associated positive moral norms with self-help initiatives, encouraging Kenyans to pull together and assist the new nation in its development. This had the effect of distracting attention away from State-led development and forcing poor Kenyans to finance their own "development."

A coup attempt shortly after President Moi took office in 1978 was the catalyst for an increasingly autocratic government. Moi consolidated power in the executive such that discourses his office perpetuated were accepted *de facto*. One such example is the discourse of *Nyayo* (footsteps) that the President used to build legitimacy for his regime when he was not particularly popular (Throup 1993:383). The term *Nyayo* branded everything from the President himself to a new stadium to new sheds built for small-manufacturers, and was used to generate legitimacy by creating an emotional connection to the dearly loved former President Kenyatta. Moi followed in the *footsteps* of the Kenyatta, in part by encouraging the spirit of *Harambee* by elevating the status of small-manufacturers (*jua kali*) as a prime example of the positive spirit of self-help. The move was intended to build the legitimacy of the executive but also served to divide the interests of informal workers. As a result *jua kali* gained privileges such as access to capital, rights to working space, reduced police harassment, more respect from the populace, and government ministries dedicated to helping them become more successful (Macharia 1993). Education reform measures were quickly passed by the single-party Parliament, that once implemented, had the effect of changing how *jua kali* were perceived (King 1996).

While Moi did not introduce much new legislation that directly affected informal workers, he also did not seek to redress colonial era policies that were harming them (Gichira 1991). He sometimes used these discriminatory acts to justify his repressive



measures and other times exercised coercive force. Increasingly after 1982, he relied on State police to implement extra-legal means to control informal workers, particularly hawkers and traders who were still viewed by the government as “subversive” (Mutua 2001; Reuters 1990) The use of mechanisms outside the law was made possible because Moi curtailed and co-opted the judicial system such that,

political murder, detention without trial, arbitrary arrests and detentions, false and politically motivated charges of opponents, both real and imagined, became the business of the state. State and KANU officials committed crimes with impunity. Laws and constitutional amendments that abrogated due process protections and the independence of the judiciary were passed without parliamentary debate or resistance (Mutua 2001:98).

Moreover, President Moi removed the security of tenure for judges, made Kenya a *de jure* one party state, increased the amount of time suspects could be held without charge, and gave himself the power to dismiss the Attorney General and the Auditor General (two checks on his power) at his discretion (Mutua 2001:101–102). Thus, when leaders of hawkers and traders associations were arrested or otherwise removed from leadership, thereby preventing the mass mobilization and organization of this sector, there was little anyone could do. Traders rioted in protest but the repressive measures of the State ensued with a vengeance. Demolitions of small enterprises and marketplaces increased in the 1990s, leading some to say that informals were treated worse in independent Kenya than they were treated under the repressive colonial regime (Ikiara 1991:316 in King 1996).

Thus, under the autocratic regimes of the colonial government, Kenyatta, and Moi, Foucault’s triangular relations of power became circumscribed by the State/colonial apparatus to the point where all relations were simply mutually reinforcing. Discourses propagated by the executive became normative whether or not they were made into laws by parliament or enforced by the judicial branch. Laws were often forced through the

one-party parliament and were enforced to a degree often outside of the law but extra-legal measures were not prosecuted because of the consolidated power of the executive (Ikiara et al. 2004). Right was not functioning effectively to mediate power, creating a feedback loop that privileged power and its creation of discourse. In the case of the discourse of *Nyayo* and the *jua kali*, these state-created identities had enormous repercussions for how informals in Kenya would be viewed from the 1980s onward.

### **7.1.3 Conclusion**

Evidence presented in this work highlighted how the intersection of power, truth, and right both at the international and national level affected informal workers. At the macro level, these forces had the effect of creating and disseminating macro-economic theories to explain how the labor market functioned.

This work provided evidence of several key ways that workers in Kenya felt the impact of this discourse through policy recommendations that privileged modern sector development and self-help policies. First, informal workers were ignored as a component of national development and the State did not enact policies that benefitted informals. Second, the assumed unproductive nature of the informal sector became a justification for the state to enact laws and regulations to remove or curtail informal work in Nairobi. Third, these theories relieved the State of their obligation to assist their citizens, forcing informals to negotiate the difficult economic climate on their own. Finally, these macro-theories provided an externally-defined but widely-applied identity for informals, which would influence not only how others viewed them but also how they viewed themselves and the worth of their work. This last aspect will be discussed in more detail in relation to hypothesis three.

## **7.2 Hypothesis Two: Privileging of Elite Interests**

Groups in power privilege elite interests and their control of knowledge and material production. As a result, policies meant to benefit informal workers also minimize class-consciousness and social mobility. As long as informal workers lack the solidarity needed to form a social movement, they can be controlled and manipulated to maintain the status quo.

This dissertation explored policy prescriptions of multilaterals and the nation-state in Kenya with an eye towards whom these policies benefitted. In most cases, elites stood to gain the most from dominant discourses perpetuated by the State and regulations enacted on its behalf. This section reviews the detailed evidence presented earlier in the dissertation.

### **7.2.1 National Policies**

British policies in Kenya, like in most colonized countries, privileged European social and economic interests (Mutua 2001). Colonial concern over African competition in trade and business led to movement, enterprise, and price controls. These were instituted to protect European productive forms and to keep Africans from entering these activities, except at as laborers for the colonial apparatus.

In the 1930s the middle-class African settlement Pangani was destroyed on the premise that it was a hideout for rebels, criminals, and spivs. However, evidence suggests that Europeans had outgrown their neighborhoods and needed more “suitable” places to expand within the city (Hirst and Lamba 1994). In the 1940s, hundreds of people a month, especially prostitutes and the “unemployed,” were deported from Nairobi and returned to their Native Reserve (Robertson 1996; Bujra 1975). Premised on the association of traders with crime, disease, vagrancy, and prostitution, this constructed

identity justified the eviction of traders and prostitutes as in “the best interest of the public,” even though it ultimately privileged European material interests (Setsabi and Leduka 2008).

Later, during the LFA insurgency, the fear of subversive elements in the populace was employed to justify the use of physical violence and policies of containment in internment camps. A colonial officer reported that “the city was permeated by gangsters and other undesirables supposedly in unemployment. . . . it was clear that even more drastic measures were imperative” (Furedi 1973:285). Subsequently, marketplaces were destroyed or fenced to separate traders from the populace and constrain African economic activity (Robertson 1997b). These measures were introduced not only to maintain political control by curtailing potential opposition uprisings but also to maintain economic control by eliminating independent business opportunities and forcing African males back to European industries that were badly in need of workers due to increasingly stringent pass laws.

As discussed in Chapter 5, even the privileging of small entrepreneurs at the very end of the colonial period was conducted in the interest of colonial elites. The development of an entrepreneurial middle-class loyal to the administration was seen having the potential to help them regain their ebbing control (Himbara 1989). British colonists also owned the majority of factories and plantations, which depended on cheap labor and inputs. Small, stable enterprises could supply the basic needs of laborers at a low cost and provide locally produced inputs for factories.

This dissertation revealed that post-colonial regimes also implemented policies that favored African elite. In particular, President Kenyatta installed family members and elites into the country’s most important industries and formed parastatals that benefited the political elite. Import substitution policies ultimately favored factory owners, many

of whom were related to MPs in Kenya, who benefited from reducing their reliance on expensive imports and from the low-cost of urban living for its workforce (Swainson 1978). When corporations faced competition from more flexible forms of work, such as street traders, they complained to the government who called in the police. Policies of repressing or over-regulating traders were instituted alongside urban planning agendas based on modernist ideals of control, order, and efficiency that effectively designed traders right out of urban public space (Cross 2000:41).

When Moi came to power in 1978, he continued Kenyatta's system of political favoritism by installing family members and members of his ethnic group in positions of power. He also continued to privilege policies of modern-sector development, creating more parastatals and giving control of other industries to his supporters as a form of political patronage. Moi bankrupted the State with these measures and his domestically unregulated use of international loans for personal expenditures (Mutua 2001). While wealthy KANU members who could prove their loyalty to the executive benefitted under Moi, ordinary Kenyans suffered. Moi's move in 1980 to accept an IMF Structural Adjustment Programme cut social service spending that hit the poor especially hard (Manundu 1997; Bryceson and Potts 2005:56–57).

Moreover, Moi became increasingly paranoid and obsessive about maintaining power after a 1982 coup attempt. He entered into a complex negotiation common to dominant groups, as theorized by Gramsci (1971), between maintaining a base of support for legitimacy while also fracturing it to prevent mobilization. As discussed in detail in Chapter 5, Moi employed divisive mechanisms toward a potentially powerful “new” group, the informal sector. Choosing to privilege those who were theoretically most likely to benefit the material interests of the elite and generate legitimacy for his regime, Moi supported the *jua kali* while increasing the harassment of hawkers and traders. The

poor also suffered directly from the extra-legal measures Moi enacted to privilege elite interests. In May 1990, Moi sent bulldozers to destroy some kiosks on the edge of a large slum called Muroto. In the end, the bulldozers had cleared not only the kiosks but also the slum itself. Later this prime real-estate was given to loyalists to bribe their continued support of Moi and KANU. This happened again later in the year to Kibagare, making 30,000 people homeless (Widner 1992:194).

Most recently, the Kibaki administration has sought to eliminate hawkers from urban areas (Daily Nation 2009a). This policy privileges the formal and elite enterprises that occupy the Central Business District (CBD), suggesting that informal enterprises do not have the same rights to urban space. To fully separate this illegitimate form of work from the legitimate, a new hawkers' market was built outside of the CBD and fenced off from pedestrian walkways and vehicular traffic. With only two entrances, access was limited and controlled. This structural barrier was perceived as a deliberate mechanism to seclude and segregate traders from urban public space and ultimately part of the government's larger project to control the city by eliminating their livelihood altogether (Setsabi and Leduka 2008).

### **7.2.2 International Policies**

In the late 1960s and 1970s, multilaterals including the World Bank, encouraged policies based on the economic theory of modernization and advised the Kenyan government to focus on developing a modern sector and reducing import substitution policies. International firms of the wealthiest members states of the World Bank, benefitted from these policies that encouraged the elimination of import tariffs, the increased market for foreign imports, and the lower prices of raw materials (Leys 1975; Swainson 1978).

Modernization theory also promoted state intervention, protectionism, and a level of market distortion in order to develop exports to the North and keep communism at bay (Tipps 1973). Such policies demanded large inputs of capital in the form of loans, aid, and investment from the World Bank and private commercial lenders, thereby benefiting both the World Bank and powerful Northern banking institutions.

So-called “alternative” policy, specifically RWG, could barely step outside the dominant paradigm in that it still saw development as occurring at least in part through modern-sector growth. Colin Leys (1975:264) criticized the ILO for not seeing the problem in Kenya as a “struggle of oppressing and oppressed classes, but only a series of particular ‘conflicts of interests’ which the ‘leadership’ would resolve, if only from enlightened self-interest, in favour of the common good.” Thus, even “reformist” paradigms failed to see the intimate connection between political elites and the capitalist mode of production that so heavily restricted the potential power and capacity for transformation among ordinary Kenyans.

Structural adjustment policies implemented in the 1990s signaled an escalation of favoring the material interests of powerful international forces such as the World Bank, IMF and their most important members, the U.S. and U.K. (Boas and McNeill 2004). Such policies removed tariffs and liberalized markets to the benefit of international commercial and financial interests.

### **7.2.3 Conclusion**

This section traced the effects of power and discourse and revealed a clear privileging of elite interests in the realms of political power and economic production. These policies supported the ruling system and encouraged the reproduction of elite interests through

the maintenance of power and control of discourse, right, and economic production. Does this power circumscribe all elements of life or are there opportunities for resistance? The following section addresses this question using evidence presented in this dissertation.

### **7.3 Hypothesis Three: Contestation of Power**

Informal workers can exert influence over their own identity, spatial distribution, and understanding of valuable social processes and forms of organization through contestation and resistance. However, this influence is limited by powerful forces. The power structure in Kenya has encouraged divisions based on the occupation, ethnicity, religion, socio-economic status, and gender of workers, affecting the ability of informals to develop a broad-based social movement to fight for livelihood rights, legality, and democratic processes.

Informal workers have not been passive recipients of macro-techniques of power. They have contested external constructions of identity as well as specific policies that seek to marginalize them in Kenyan society. Evidence presented in this work highlights how hawkers and traders have used various methods to contest policies with which they have disagreed.

In the 1920s traders formed small associations based on commodities such as cobblers' and banana sellers' guilds. Later these associations were incorporated into the 4,000 member United African Traders Association that advocated for the interests of traders by petitioning and lobbying the colonial administration. When the State of Emergency was declared in 1952 and traders and marketplaces were targeted for their subversive activities, a general strike was called to protest the increasingly repressive policies. Violent tactics were employed in 1960 during the First Hawker War when hawkers retaliated against the destruction of their enterprises and attempts to control



their movement by throwing stones at police officers and resisting arrest (Robertson 1996). During this time, the Nairobi Hawkers and Traders Association wrote petitions, held protest marches, engaged in physical altercations with authorities, and boycotted designated markets in order to make their demands heard (Robertson 1997b).

Under the post-colonial government, traders threatened to stage a sit-in at the Police Commissioners office in 1964 if more licensees were not provided (Robertson 1997b). Over the next fifteen years of Kenyatta's rule, informal workers rioted, demonstrated, and otherwise contested the implementation of colonial era policies to control hawkers and traders. However, in the late 1970s and 1980s, violent demonstrations reduced and informals turned inward to small associational forms.

As the authoritarian nature of rule increased, especially under Moi, these contestations became more and more forceful, ultimately leading to the violent confrontations of 1988–1992. Widner (1992:163) writes “Only in the last half of 1990 did segments of Kenya's large informal sector, long considered part of Moi's “populist” base, begin to participate in opposition activities and use the sector's economic position to advantage.” In 1988, 300 women marched to the Nairobi Provincial Commissioner's Office in protest of the harassment and destruction of property they faced at the hands of NCC police. During *Saba Saba* (July 7, 1990), hawkers and traders from nearby Gikomba marketplace joined forces with other marginalized groups to demonstrate for multiparty rule. Rioters burned vehicles, built roadblocks out of burning tires outside Gikomba, and engaged police with a violent barrage of stones.

Hawker and trader militancy, especially around issue of right to work and urban land rights, has continued until the present. When the government tried to clear the Central Business District of hawkers in 2007 they were met with rioting and stone throwing. In March 2008, hawkers marched in protest of their forced relocation and in June 2009,

they again demonstrated over land rights, throwing stones at police and burning tires in downtown Nairobi. This dissertation has provided numerous historical examples of how hawkers and traders have contested discriminatory policies, demonstrating that despite its political marginalization, this group has not accepted this marginalization passively.

Hawkers and traders have also contested externally created notions of informality independent of formal organization, instead creating small pockets of resistance among peers with alternative notions of informality. Chapter 6 discussed these informal contestations of power where retailers spoke about their understanding of informal work as legitimate, moral, productive, stable, and organized.

For the entire history of informal trade in Kenya, the administration in power has been encouraging discourses that delegitimize informal workers and their rights to public urban space. Paired with notions of productivity and immorality, this discourse of illegitimacy has been used to justify the confinement of hawkers to marketplaces and their imprisonment, deportation, beatings, and even murder in attempts to evict them from urban areas. Traders rejected the notion that they have an illegitimate claim to urban space, instead seeing themselves as legitimate businesspeople who are trying to make a decent life for their families. Most were not engaged in illegal or immoral activities that have been said to occur at marketplaces such as drug running and gun smuggling (Daily Nation 2008). Moreover, many traders are surprisingly productive. Although most informal workers were not wealthy, evidence provided in this dissertation revealed that many were making more than minimum wage. Another recent report found that traders in the CBD hold a combined daily capital stock worth almost USD 1 million (UN-HABITAT 2006).

A number of respondents also viewed their enterprises as productive in the sense that they were able to use the profits from their enterprise to buy land, cattle, houses and cars,

improve their diets, and send their children or even themselves to school. Some even saw their business as lucrative enough to pass along to their children, although rarely did retailers express a desire to force them into a career. Retailers also used their enterprises to exert control over the poor working conditions offered in formal industries, including long hours of standing, no breaks, cruel managers, low pay, and potential for retrenchment, by choosing to reject this form of work. Retailers resented the dominant discourse that had created a perception of their work as worthless, with many expressing how informal work provided opportunities for independence, entrepreneurship, flexibility, adaptability, and creativity.

In many ways, informal labor is the epitome of unstable work because workers receive no guaranteed minimum wage, no benefits such as health care or pensions, and have no title deed to land or premises. However, traders also claimed that this “instability” allowed them to be flexible enough to adapt to the changing global and local economy and thus offered them a measure of stability. Retailers contested the notion that there is anything “inherent” about the instability of their enterprises, instead arguing that this characteristic is a result of a long history of discriminatory policies by various administrations. Thus, traders condemned the arbitrary police raids and the reluctance on the part of City Council to rework colonial era by-laws that have been used to justify the eviction of informals. With a more fair, transparent, and consistent regulatory environment, informal workers could operate much more successful businesses.

Finally, traders described their work as highly organized with complex commodity chains for both goods and services. Associations exist within the marketplace to provide more formal organization. Most marketplaces have an elected leadership structure consisting at minimum of a chairperson, vice-chairperson, treasurer, and secretary. The executive committee represents marketplace interests to the NCC or area chiefs, noti-

fies vendors of any policy changes, arbitrates disputes over property, and allocates new stalls. Also, many small business and welfare associations exist within the marketplace.

While contesting externally created identities in several key aspects, retailers also accepted external categories of knowledge. Retailers considered themselves, *mufanya biashara*, or businesspeople as an acceptance of the revisionary social categories applied by the IMF and World Bank. Moreover, traders and hawkers were heavily influenced by policies encouraging training and micro-finance advocated by multilateral agencies. Four of the five urban alliances of KENASVIT that stated goals included access to credit facilities and training of retailers. The use of foreign frames to define local needs highlights how retailers play a part in their own identity formation through contestation of and concession to the discourses of power.

### **7.3.1 Organizational Forms**

Without the support of the government, informal workers relied on a variety of organizational forms including small associations, occupational groups, large organizations, and umbrella organizations. As discussed in Chapter 6, small self-help associations met both the economic and social needs of traders — helping them pool resources as a form of insurance, gain access to credit for large purchases, share knowledge and resources, and pay for large cultural expenses such as weddings and funerals.

Small associations have played an important role in both the realm of business and personal needs; however, they have also been unable to improve the political, business, or legal climate in Kenya or to transform norms regarding informal work. Only sometimes have these associations been able to help hawkers and traders build shared identities that resisted notions of external constructions of informality generated by

multinationals and the State. Larger organizations have had marginally more success negotiating for change.

In the 1940s, the African Workers Federation and the United African Traders Associations developed in response to trader persecution. These large organizations advocated for the interests of traders by petitioning and lobbying the colonial administration, but government coercion and co-optation ultimately reduced their potential power. Favorable policies toward the *jua kali* in the 1980s and 1990s led to the creation of a number of market-place based organizations, including Gikomba Jua Kali Society and the Kamukunji Jua Kali Association, and national organizations such as the Kenya National Federation of Jua Kali Associations (KNFJKA), Kenya National Jua Kali Organization, and the Jua Kali and Kazi Cooperative Union (Kenya) Limited. Although the KNFJKA has been the primary mechanism for the government's disbursement of small enterprise funds, it largely focuses on small-manufacturing enterprises and never had more than 400 members. In addition, internal political battles rendered it marginal by the late 1990s. Likewise, none of the other national organizations mentioned above have large membership bases and few are well known to hawkers and traders. Thus, the history of mobilization for workers' rights through large organizational forms seems about as dismal as through small associational forms.

However, a new umbrella organization for hawkers and traders was recently formed that seems to be gaining a broad membership base and traction in advocating for informal workers' rights. In light of recent research concluding that a major barrier to self-help was the lack of consistent uncorrupted leadership and large-scale organizational structure to train members in local and national-level advocacy, the Kenya National Alliance of Street Vendors and Informal Traders (KENASVIT) was formed (Mitullah 2007).

KENASVIT has seen moderate successes in both its urban alliances and national agenda since its registration in 2005. Among some urban alliances, KENASVIT has mediated conflicts among the leadership of various organizations and encouraged them to work together under the umbrella of KENASVIT. This has strengthened hawker and trader representation and provided a neutral third party moderator. In Nakuru, the mayor has agreed to meet with the local KENASVIT urban alliance members regularly and has begun the process of constructing of a new hawkers' marketplace. In Eastern Kenya, the Kisumu urban alliance has increased dialogue between associations and the municipal authority and even taken the Municipal Council to court (The Street Trader 2006; Mitullah 2007).

At the national level, KENASVIT has negotiated an active role in providing feedback on the proposed Micro and Small Enterprises Bill. They have taken leadership of the initiative and even created a forum for other informal sub-sectors to voice their concerns and suggestions regarding the bill. This cross-sectoral spirit is a new phenomenon and if cultured, may facilitate a strong, powerful, and united informal sector that can advocate on their own behalf. The National Executive Council has also promoted raising awareness by creating a blog, a newsletter, a website, and by encouraging urban alliance members to represent KENASVIT at the 2007 World Social Forum in Nairobi. Alliance leadership also organized panels and a hawkers' rally during the WSF to draw more awareness of the plight of informal workers. KENASVIT has also been proactive in networking, connecting with numerous local NGOs and attending international conferences to develop solidarity with other street trader organizations (Okello 2007a; The Street Trader 2007a:4, 12). Thus, while this dissertation did not find evidence of a widespread social movement of informal workers, it did find evidence of the beginning stages of social mobilization among hawkers and traders.

### **7.3.2 Conclusion**

This section reviewed the evidence presented in this work and concludes that informal workers can contest relations of power; however, their contestations have not, as of yet, generated enough momentum to develop a broad-based social movement. There are many limiting factors to collective mobilization including internal divisions, political patronage, failure to generate solidarity on collective interests, and the difficulty of engaging poor people in advocacy work with a long time-horizon until potential benefits. But historically, the most destructive factors preventing informal worker mobilization in Kenya have been policies privileging elite interests, government mechanisms of repression and co-optation, and the generation of ethno-political tensions.

Evidence in this work highlighted how national and international discourses and policies surrounding labor markets privilege elite interests. As a result, policies concerning informal workers primarily focus on improving their skill capital, productivity, and financialization without improving their collective-consciousness or mobility. This discourse of materiality has been internalized by traders who fight not for systemic reforms but for concessions from the political elite. For example, the vision, aims, and objectives of NISCOF focus on creating a conducive business environment, providing training and capacity building, and improving credit facilities without mentioning redistribution of assets or upward mobility (The Street Trader 2006). Historically, these discourses have been extremely effective in preventing informal workers from realizing their larger interests of reducing discriminatory government policy or instituting a more just social and economic system.

Second, mechanisms of consent and coercion were broadly applied to control the strength of hawkers' and traders' organizations. When possible, the government used lucrative civil service positions to co-opt leadership away from representing the con-

cerns of informal workers. When this tactic failed, strong leaders were often removed by force. Moreover, riots to protest unfair government policies were met with violence and repression. The government's arbitrary destruction of retailer property and kiosks was used to retaliate for the demonstrations. Although these repressive measures did not end rioting by hawkers, they raised the stakes of participating. Thus, fewer people were willing to advocate for the rights of informal workers.

Third, the State apparatus has encouraged ethno-political divisions, which has served to focus attention away from the collective grievances of informal workers. Ethno-political tension has affected social organization by influencing trading relationships, marketplace structures, and membership in small associations. As the 2007 presidential elections showed, ethno-political affiliation can be a destructive force, not only for informal workers' organizations, such as KENASVIT, but for the solidarity of the nation.

However, Kenya has recently entered a less repressive era where potentially some gains can be made in organizational strength. Likely, hawkers' and traders' organizations, like KENASVIT, will still have to deal with attempts to co-opt the leadership and foment ethno-political tensions, and certainly fight an uphill battle against the normative understandings of informal workers and their right to public urban space. But, with the precursor of the women's movement, the reduction in overt repression, and more open opportunities for opposition parties, it seems that there has been no better time in the past century for traders to advocate for wide-scale political changes on their own behalf.

## **7.4 Future Work**

Future research can build on this work by exploring the direct and indirect influences of religious and scientific institutions and corporations on the construction of informal



work. Early British missionaries played a role in the colony's "civilizing mission" to Kenya. Although missionaries depended on traders for sundries, missionaries were also ambassadors of colonial policy and a foreign moral code. The influence of Islam may have been significantly different as this religion arrived in Africa via Arab sea traders. The influence of religious institutions on the acceptance of trade has yet to be explored and may offer additional clues to understanding the construction of informal work in Kenya.

Colin Leys (1994, 1996) called for the examination of Kenyan capitalists at independence to understand how much they saw themselves as having class-based (versus ethnic or gender) interests. Uniquely, in Kenya indigenous capitalists experienced a significant amount of political power from their overlap with the ruling elite class. Leys suggests that the lack of a significant capitalist class provided the space for multinational corporations to enter Kenya to initiate capitalist development. Indirectly or directly these institutions and corporations may have contributed to discourses and the implementation of agendas that helped to frame informal work. Such institutions and corporations also likely had close connections with informal workers and may have played a more direct role in constructing their social identity.

Further exploration of KENASVIT and its Nairobi urban alliance NISCOF is also warranted. These groups offer the most promising opportunity to advocate for and obtain improved political, social, and economic rights for informal workers. It remains to be seen whether they can also advocate for more lasting and systemic change that will create a more equal and just governing and economic structure. This study could also include an exploration of the mobilization potential of other sub-sectors of informal work, including transport, home-based work, casual labor, and services. Understanding the needs, demands, and existing organizational structure of these sub-sectors would

give a much more holistic picture of the likelihood for and value of informal worker mobilization.

This study revealed that mobilization by occupation or class does not seem likely at the present time in Kenya. Instead, social categories of ethnicity, gender, and age are more consistent with the ways informals see their place in social structure. Given the recent political violence and its very real affect on informal workers, ethnicity demands further attention in the context of informal workers. In particular, a comparative study of Kenyan and Tanzanian informal workers could explore how the two populations conceptualize ethnic and national identity.

Tanzania offers an exciting microcosm for comparison because of its similarities to Kenya in language, colonial empire, and rich tradition of local and long-distance trading networks and differences in its post-colonial policies. After a relatively peaceful transition to independence in 1961, Julius Nyerere instituted pan-African Socialism to encourage national solidarity and self-reliance and deemphasize ethnic ties and dependency. The implications of national identity as opposed to ethnic identity could have a profound impact on the organizational structure of Tanzania informal worker associations.

Furthermore, the mobilization potential of not just ethno-political groups but also of groups based on age, religion, family/marital status, occupation and class could be explored comparatively. Studies of informal work and workers movements in Tanzania have recently been conducted by Brown and Lyons (2010). Preliminary research suggests that multilaterals (intentionally and unintentionally) heavily influenced the construction of informal worker identity and organization. Traders in Dar es Salaam were also significantly affected by the World Bank's policies of liberalization and decentralization. The State required all people to work essentially forcing itself to recognize

informal work. In 1992, a project instituted by the UNDP and UN-HABITAT included the formation of a working group on petty trading tasked with strengthening the ability of formal traders associations to negotiate with municipal authorities.

By 1997, about 240 self-help groups represented 16,000 traders (DCC, 1999) and two umbrella groups were established — VIBINDO (Association of Small Businesses) and KIWAKU (an association of clothes sellers). VIBINDO achieved considerable status, representing about 300 associations with a combined membership of 40,000 people (Msoka, 2007) and its three broad objectives included advocacy, acquisition of plots and providing business information. Guidelines for Petty Traders were published in 1997 (Nnkya, 2006) (Brown and Lyons 2010:674–675).

In 2005, Hernando de Soto visited Tanzania and promoted the legalization of informal work, the reduction of licensing barriers, and the granting of land titles to traders (Kovacevic 2005). However, in March 2006 the Prime Minister pronounced street trade illegal and ordered informal workers off the streets. Now representing illegal activities, VIBINDO and KIWAKU were helpless in preventing evictions and hundreds of thousands of traders were pushed away from their work in 2007. Over 200,000 of these traders also faced prosecution (Brown and Lyons 2010:675). On the surface, there seem to be remarkable similarities between the plight of informal workers in Kenya and Tanzania. Further comparative research can explore how similarities and differences in organizational structure, leadership, and identity formation may contribute to the successful mobilization of informal workers.

Research on this project began in 2006 with the goal of ascertaining the effects of power on informal workers in Kenya. Through both primary and secondary data collection, this project uncovered mechanisms of power operating in the field of informal work, including normalization, consent and coercion, and economic control. Through the lens of these mechanisms, it then began to explore the effect of power on the global understanding and lived experience of informal workers. This work found that a number

of powerful forces have influenced the construction of global and local informal identity including multilateral organizations (particularly the ILO, World Bank, and IMF), Northern academic institutions, powerful Northern States (particularly the U.S. and the U.K.) and the Kenyan State.

In this web of power relations, informal workers have also exerted power through dissent, demonstrations, contestation of external identities, and the exertion of power over other segments of society. These instances highlight that informal workers are not passive recipients of external identities but instead find diverse tactics to make themselves heard in an autocratic society. However, informal workers have yet to exert power as a collective through the mechanisms of voting and their collective voice in lobbying is still quite weak.

Informal workers face a number of barriers to collective mobilization that could lead to a social movement. The history of informal work in Kenya is full of instances of government repression, co-optation of leadership, political patronage, fomenting of ethnic divisions, and policies that privilege elites. Informals have attempted to form both large and small organizations to combat these elements with limited success. Most recently, an umbrella organization of hawkers and traders has been formed, uniting over 5000 workers to lobby for representation on current draft of the Micro and Small Enterprise Bill. A forum was held by hawkers and traders to discuss the Bill with other sub-sectors of informal work including the *jua kali*. These are positive signs that informal workers are beginning to mobilize for lasting political and social change that will help them support their livelihoods and improve their lives.

## APPENDIX A

### KISWAHILI/SHENG/KIKUYU TERMS

Anake wa 40	40 Group political party
Askari	Policeman, guard
Camera/wanga	Newly opened bale of used clothes
Githeri	A traditional Kikuyu bean dish
Harambee	Working together for the common good; self-help
Jua Kali	Literal translation is “hot sun;” refers to small manufacturers and artisans; some times used to refer to all Kenyan informal workers
Kipande	Colonial era pass system
Mabati	Corrugated tin/iron sheets
Maendeleo ya Wanawake	Progress for Women Organization
Mitumba	Used clothes
Mufanya biashara	A business-person
Nyayo	Footsteps; nickname for President Moi to symbolize that he followed in the footsteps of Kenyatta
Saba Saba	July 7th; the day of a violent pro-democracy rally in Kamukunji
Shamba	Farm plot
Sheng	A slang language mixing Kiswahili and English
Spivs	Suspected Persons and Itinerant Vagrants
Thingira	A house built by the parents of a young male to be given to him upon his circumcision; Kikuyu
Uji	Porridge/gruel
Wananchi	Populace; populist term for the lumpen-proletariat; citizens

## APPENDIX B

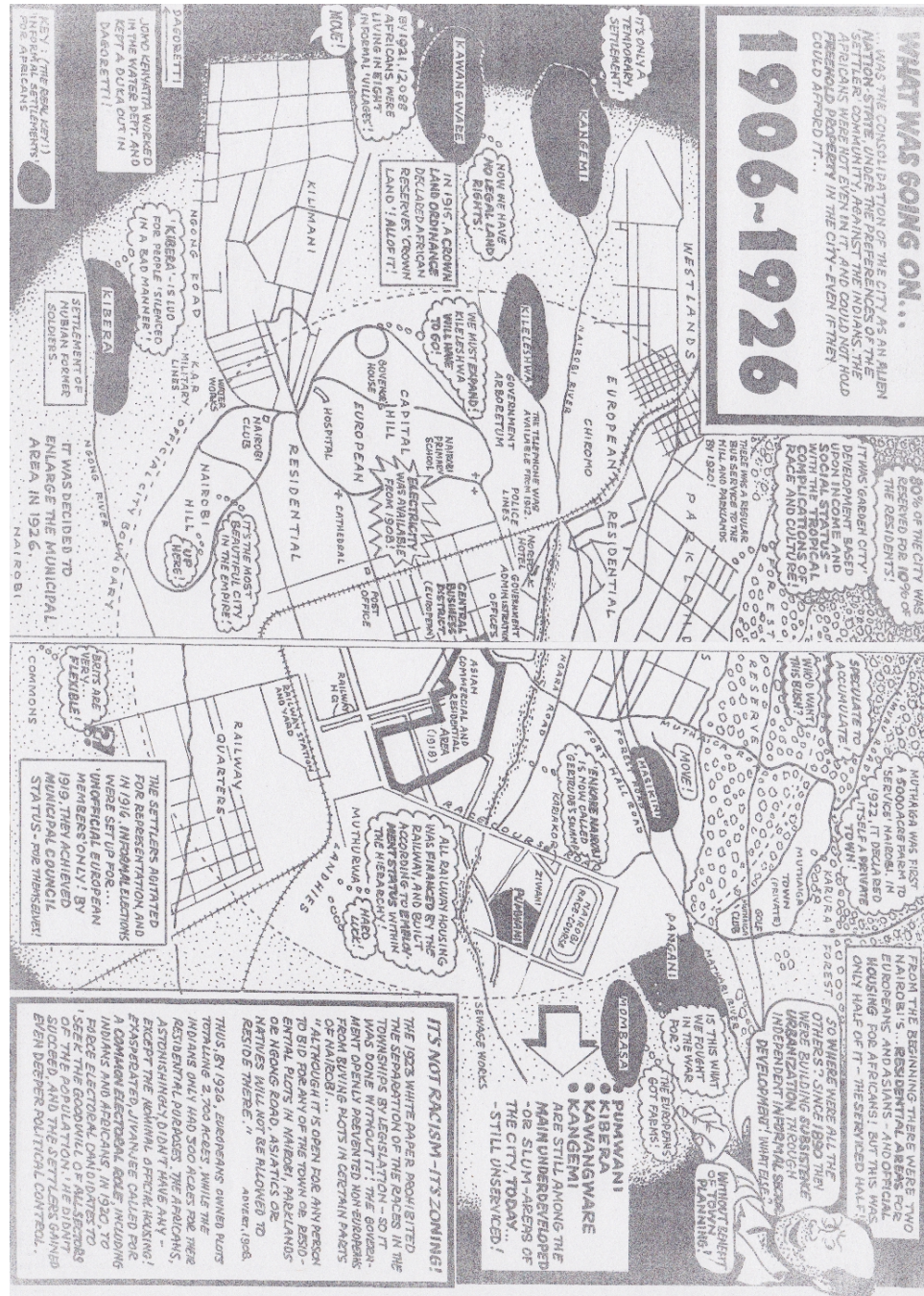
### TIMELINE

<u>International History of Informal Work</u>	<u>Kenyan History of Informal Work</u>
	<b>1890</b>
	1890 Kenya becomes a British Protectorate
	1899 Mombasa-Kampala railway reaches Nairobi
	<b>1900</b>
	1901 Hut and Poll Tax Ordinance
	<b>1910</b>
	1915 The Registration of Natives Ordinance created pass laws regulating movement
	<b>1920</b>
	1922 Henry Thuku of the EAA arrested sparking violent protests; Vagrancy Act imposed justifying forced evictions from Nairobi
	1926 Credit the Natives Ordinance – prevented Africans from obtaining large loans
	1928 Food Control Ordinance imposed price controls and distributed licenses
	<b>1930</b>
	1930s Kawangware Marketplace founded as a trading site for Kikuyu women
	1935 Pangani Destroyed to make way for European housing
	1939 Native Advisory Council was set up to improve tax collection
	<b>1940</b>
	1940s Kikuyu drafted into World War II
	1940 UATA formed to represent trader interests
Bretton Woods Agreements created World Bank and the IMF (IBRD) 1944	
	1949 Voluntary Unemployed Persons Ordinance labeled hawkers as vagrants
Singer-Prebisch theory 1950	<b>1950</b>
	1952 State of Emergency declared in Kenya
	1953 Kariokor Marketplace partially destroyed
Arthur Lewis – dual sector labor market model 1954	1954 Operation Anvil – 30,000 suspected LFA sympathizers removed from Nairobi; Shauri Moyo Marketplace partially destroyed
Kuznets's curve 1955	
	1959 State of Emergency lifted in Kenya
Rostow's Stages of Growth Model developed 1960	<b>1960</b>
	1960 First Hawker War
	1963 Kenya obtains independent from Britain; Jomo Kenyatta (KANU) becomes first president of Kenya
	1964 Operation Clean-Up – thousands of traders removed from Nairobi; Kenya becomes a de facto one-party state when the opposition party is dissolved
	1965 Trade Disputes Act prohibiting strikes in key industries,
	1967 Trade Licensing Act allowed the government to remove non-Kenyans from their businesses
ILO instituted World Employment Programme to develop policies that would encourage economic growth and reduce the effects of inequality on the poor 1969	1969 Kenyatta outlaws the opposition party Kenya Peoples' Union formed by Odinga Odinga.

	<b>1970</b>	
	1971	"Urban Unemployment in Africa" conference hosted by IDS-Sussex -Keith Hart introduces term "informal sector" while presenting research on small-scale entrepreneurs in Ghana
ILO releases their Kenya Report officially defining the term "informal sector;" WEP heads to Kenya under leadership of Hans Singer	1972	
World Bank adopts "Basic Needs" approach; Chenery et al publish "Redistribution with Growth."	1973	
"The Task Ahead for the Cities of the Developing Countries" criticized dualist approach for being too simplistic	1975	
	1978	Kenyatta dies; Daniel T. Arap Moi (KANU) succeeds him as president without an election.
	<b>1980</b>	
	1980	Kenya takes its first SAP
	1982	Coup attempt; Kenya becomes a <i>de jure</i> one-party state
	1986	Moi visits <i>jua kali</i> at Kamukunji, dedicates <i>Nyayo</i> sheds; Sessional Paper No. 1 on Economic Management for Renewed Growth emphasizes informals as the hope for economic development; Educational reform
	1987	Small-Scale Enterprises Unit established within the Ministry of National Planning and Development
	1988	Ministry of Technical Training and Applied Technology (MTTAT) in formed to supervised the Jua Kali Development Programme
"Washington Consensus" becomes guideline for neo-liberal policies	1989	
"The Other Path," by Hernando De Soto – influences many in the U.S. State Department and World Bank	1989	
	<b>1990</b>	
	1990	<i>Saba Saba</i> – pro-democracy held in Kamukunji that was violently shut down by the government; later in the year all CBD marketplaces destroyed; Muroto and Kibagare bulldozed
	1992	City Park Hawkers Market is Built; Sessional Paper Number 2 of 1992 on Small Enterprise and Jua Kali Development in Kenya promises to provide an "enabling environment" for SMEs; Kenya National Federation of Jua Kali Associations (KNFJKA) established by MITAT
International Conference of Labour Statistician – ILO releases new definition of informal sector	1993	Kenya takes second SAP
	1994	MSETTP and the Jua Kali Voucher Program, established in Kenya funded by World Bank
	<b>2000</b>	
	2002	Mwai Kibaki (NARC) elected
	2005	KENASVIT registered
	2008	All hawkers forced into newly built Muthurwa Marketplace; Coalition government formed with opposition and Raila Odinga (ODM) becomes Prime-Minister
Tried to remove all hawkers from CBD amid protests; Mwai Kibaki (NARC) elected president in contested election; World Social Forum is held in Nairobi	2007	
	2009	Hawkers return to CBD and police repression sparks violent riots
	<b>2010</b>	

## APPENDIX C

## MAP OF AFRICAN HOUSING IN NAIROBI DURING THE COLONIAL ERA





## APPENDIX D

### SINGLE BUSINESS PERMIT FEE SCHEDULE

BRIMS CODE	CATEGORIES OF BUSINESS		1	2	3	4	5	6	7	8	9	10
100	GENERAL TRADE, WHOLESALE, RETAIL, STORES, SHOPS, PERSONAL SERVICES Such as: Distributors, Traders, Wholesalers, Hypermarkets, Department Stores, Supermarkets, Retailers, Shops, Boutiques, Chemists, Butcheries, Personal Service Providers, Kiosks	Base Value	250	300	350	400	500	600	700	850	1,000	1,200
103	Mega Store, Hypermarket Large Multi-Department Store, Hypermarket Over 100 employees or Premises over 3,000 m2. Prime Location	60	15,000	18,000	21,000	24,000	30,000	36,000	42,000	51,000	60,000	72,000
105	Large Trader, Shop, Retail Store or Personal Service From 21 to 100 Employees &/or Premises from 300 to 3000 m2. Fair Location	20	5,000	6,000	7,000	8,000	10,000	12,000	14,000	17,000	20,000	24,000
110	Medium Trader, Shop or Retail Service From 5 to 20 employees &/or premises from 50 to 300 m2. Fair Location	10	2,500	3,000	3,500	4,000	5,000	6,000	7,000	8,500	10,000	12,000
115	Small Trader, Shop or Retail Service Up to 4 employees &/or Premises less than 50 m2. Far away Location	5	1,250	1,500	1,750	2,000	2,500	3,000	3,500	4,250	5,000	6,000
120	Kiosk Light or Temporary construction less than 5 m2	4	1,000	1,200	1,400	1,600	2,000	2,400	2,800	3,400	4,000	4,800
195	Other Wholesale-Retail Traders, Stores, Shops and Services	4	1,000	1,200	1,400	1,600	2,000	2,400	2,800	3,400	4,000	4,800
BRIMS	CATEGORIES OF BUSINESS											
	INFORMAL SECTOR Including: Hawkers, Street Vendors & Small Traders and Service Providers operating on the street, verandah or temporary building.	Base Value	250	300	350	400	500	600	700	850	1,000	1,200
200												
205	Hawker with motor vehicle 1 person with motor vehicle	5	1,250	1,500	1,750	2,000	2,500	3,000	3,500	4,250	5,000	6,000
210	Hawker 1 person without a motor vehicle	4	1,000	1,200	1,400	1,600	2,000	2,400	2,800	3,400	4,000	4,800
215	Small Informal Sector Trader/Service Provider Shoeshine, Shoe repair, Street Vendor (newspapers, sweets, soda, cigarettes)	2	500	600	700	800	1,000	1,200	1,400	1,700	2,000	2,400

220	Semi Permanent Informal Sector Trader Up to 2 persons operating in verandah or temporary building	3	750	900	1,050	1,200	1,500	1,800	2,100	2,550	3,000	<b>3,600</b>
295	Other Informal Sector Operation	2	500	600	700	800	1,000	1,200	1,400	1,700	2,000	<b>2,400</b>
300	TRANSPORT, STORAGE AND COMMUNICATIONS Such as Maritime & Air Lines, International Carriers, Transportation Co-operating Taxis-Matatus-Buses-Lorries-Planes-Boats. Driving Schools, Tour/Safari Operators Petrol Stations, Storage Facilities, Cold Storage Facilities, Publishing Co – Newspapers, Books, Texts – Telephone Co, Radio/TV Broadcaster, Internet Provider	Base Value	250	300	350	400	500	600	700	850	1,000	<b>1,200</b>
305	Large Transportation Company Over 30 vehicles	80	20,000	24,000	28,000	32,000	40,000	48,000	56,000	68,000	80,000	<b>96,000</b>
310	Medium Transport Company From 6 to 30 vehicles	30	7,500	9,000	10,500	12,000	15,000	18,000	21,000	25,500	30,000	<b>36,000</b>
315	Small Transport Company From 2 to 5 vehicles	10	2,500	3,000	3,500	4,000	5,000	6,000	7,000	8,500	10,000	<b>12,000</b>
320	Independent Transport Operator	5	1,250	1,500	1,750	2,000	2,500	3,000	3,500	4,250	5,000	<b>6,000</b>
325	Large Petrol Filling Station Over 6 pumps or with garage workshop & retail shop	20	5,000	6,000	7,000	8,000	10,000	12,000	14,000	17,000	20,000	<b>24,000</b>
330	Medium Petrol Filling Station From 4 to 6 pumps or with garage workshop or retail shop	10	2,500	3,000	3,500	4,000	5,000	6,000	7,000	8,500	10,000	<b>12,000</b>
335	Small Petrol Filling Station Up to 3 pumps and without garage workshop or retail shop	7	1,750	2,100	2,450	2,800	3,500	4,200	4,900	5,950	7,000	<b>8,400</b>
340	Large Cold Storage Facility Over 1,000 m2, insulated walls, cold production equipment	55	13,750	16,500	19,250	22,000	27,500	33,000	38,500	46,750	55,000	<b>66,000</b>
345	Medium Cold Storage Facility Between 100-1,000 m2	25	6,250	7,500	8,750	10,000	12,500	15,000	17,500	21,250	25,000	<b>30,000</b>
350	Small Cold Storage Facility Up to 100 m2	12	3,000	3,600	4,200	4,800	6,000	7,200	8,400	10,200	12,000	<b>14,400</b>
355	Large Storage Facility Over 5,000 m2. Godown Warehouse. Liquid Storage Tanks Complex	50	12,500	15,000	17,500	20,000	25,000	30,000	35,000	42,500	50,000	<b>60,000</b>
360	Medium Storage Facility From 1,000 to 5,000 m2	20	5,000	6,000	7,000	8,000	10,000	12,000	14,000	17,000	20,000	<b>24,000</b>
365	Small Storage Facility Up to 1,000 m2	10	2,500	3,000	3,500	4,000	5,000	6,000	7,000	8,500	10,000	<b>12,000</b>
370	Large Communications Co Over 100 employees &/or Premises over 5,000 m2	90	22,500	27,000	31,500	36,000	45,000	54,000	63,000	76,500	90,000	<b>108,000</b>
375	Medium Communications Co From 16 to 100 employees &/or Premises from 1,500 to 5,000 m2	55	13,750	16,500	19,250	22,000	27,500	33,000	38,500	46,750	55,000	<b>66,000</b>
380	Small Communications Co Up to 15 employees &/or Premises up to 1,500 m2	30	7,500	9,000	10,500	12,000	15,000	18,000	21,000	25,500	30,000	<b>36,000</b>
395	Other Transport, Storage and Communications	7	1,750	2,100	2,450	2,800	3,500	4,200	4,900	5,950	7,000	<b>8,400</b>

400	AGRICULTURE, FORESTRY & EXPLOITATION OF NATURAL RESOURCES Such as: Production of Coffee, Tea, Fruits, Flowers, Cereals, Vegetables and horticultural products. Grain Storage and Processing, Mills & Posho Mills, Bakeries, Forestry and Timber Production, Sawmills, Coal Production, Animal Breeding, Dairy Products Processing, Slaughter Houses, Mining and other Natural Resources Extraction Activities.	Base Value	250	300	350	400	500	600	700	850	1,000	<b>1,200</b>
405	Large Agricultural Producer, Processor, Dealer, Exporter Over 50 employees	65	16,250	19,500	22,750	26,000	32,500	39,000	45,500	55,250	65,000	<b>78,000</b>
410	Medium Agricultural Producer/Processor/Dealer/Exporter From 11 to 50 employees	25	6,250	7,500	8,750	10,000	12,500	15,000	17,500	21,250	25,000	<b>30,000</b>
415	Small Agricultural Producer/Processor/Dealer Up to 10 employees	8	2,000	2,400	2,800	3,200	4,000	4,800	5,600	6,800	8,000	<b>9,600</b>
420	Large Mining or Natural Resources Extraction Operation over 50 employees	80	20,000	24,000	28,000	32,000	40,000	48,000	56,000	68,000	80,000	<b>96,000</b>
425	Medium Mining or Natural Resources Extraction Operation From 4 to 50 employees	45	11,250	13,500	15,750	18,000	22,500	27,000	31,500	38,250	45,000	<b>54,000</b>
430	Small Mining or Natural Resources Extraction Operation Up to 3 employees. Includes quarries & small mining operations	25	6,250	7,500	8,750	10,000	12,500	15,000	17,500	21,250	25,000	<b>30,000</b>
495	Other Agricultural, Forestry and Natural Resources	8	2,000	2,400	2,800	3,200	4,000	4,800	5,600	6,800	8,000	<b>9,600</b>
500	ACCOMMODATION AND CATERING Such as: International Hotels, Tourists Camps, Lodging Houses, Restaurants, Bars, Eating Houses, Tea & Coffee Houses, Butcheries with Meat Roasting &/or Soup Kitchen Facilities, Membership Clubs, Night Clubs & Casinos	Base value	250	300	350	400	500	600	700	850	1,000	<b>1,200</b>
503	Large-High Standard Lodging House/Hotel D Class. Over 100 rooms	100	25,000	30,000	35,000	40,000	50,000	60,000	70,000	85,000	100,000	<b>120,000</b>
506	Medium-High Standard Lodging House/Hotel D Class. From 41 to 100 rooms	70	17,500	21,000	24,500	28,000	35,000	42,000	49,000	59,500	70,000	<b>84,000</b>
509	Small- High Standard Lodging House/Hotel D Class. Up to 40 rooms	50	12,500	15,000	17,500	20,000	25,000	30,000	35,000	42,500	50,000	<b>60,000</b>
512	Large Lodging House with Restaurant &/or Bar B/C Class. Basic Standard. Over 15 rooms	45	11,250	13,500	15,750	18,000	22,500	27,000	31,500	38,250	45,000	<b>54,000</b>
515	Medium Lodging House with Restaurant &/or Bar B/C Class. Basic Standard. From 6 to 15 rooms	35	8,750	10,500	12,250	14,000	17,500	21,000	24,500	29,750	35,000	<b>42,000</b>

518	Small Lodging House with Restaurant &/or Bar B/C Class. Basic Standard. Up to 5 rooms	25	6,250	7,500	8,750	10,000	12,500	15,000	17,500	21,250	25,000	30,000
521	Large Lodging House B/C Class. Basic Standard. Over 15 rooms	40	10,000	12,000	14,000	16,000	20,000	24,000	28,000	34,000	40,000	48,000
524	Medium Lodging House B/C Class. Basic Standard. From 6 to 15 rooms	25	6,250	7,500	8,750	10,000	12,500	15,000	17,500	21,250	25,000	30,000
527	Small Lodging House. Basic Standard B/C Class. Up to 5 rooms	15	3,750	4,500	5,250	6,000	7,500	9,000	10,500	12,750	15,000	18,000
540	Large Restaurant with Bar/Membership Club Over 30 customers/members	30	7,500	9,000	10,500	12,000	15,000	18,000	21,000	25,500	30,000	36,000
543	Medium Restaurant with Bar/Membership Club From 11 to 30 customers/members	15	3,750	4,500	5,250	6,000	7,500	9,000	10,500	12,750	15,000	18,000
546	Small Restaurant with Bar Up to 10 customers	10	2,500	3,000	3,500	4,000	5,000	6,000	7,000	8,500	10,000	12,000
549	Large Eating House; Snack Bar; Tea House "Hotel", no lodging. No alcohol served. Over 20 customers	15	3,750	4,500	5,250	6,000	7,500	9,000	10,500	12,750	15,000	18,000
552	Medium Eating House; Snack bar; Tea House "Hotel", no lodging. No alcohol served. From 6 to 20 customers.	10	2,500	3,000	3,500	4,000	5,000	6,000	7,000	8,500	10,000	12,000
555	Small Eating House; Snack Bar; Tea House "Hotel", no lodging No alcohol served. Up to 6 customers	7	1,750	2,100	2,450	2,800	3,500	4,200	4,900	5,950	7,000	8,400
558	Butchery with Roasted Meat and/or Soup Kitchen Any size	10	2,500	3,000	3,500	4,000	5,000	6,000	7,000	8,500	10,000	12,000
561	Large Bar/Traditional Beer Seller Over 50 customers	15	3,750	4,500	5,250	6,000	7,500	9,000	10,500	12,750	15,000	18,000
564	Medium Bar/Traditional Beer Seller From 16 to 50 customers	12	3,000	3,600	4,200	4,800	6,000	7,200	8,400	10,200	12,000	14,400
567	Small Bar/Traditional Beer Seller Up to 15 customers	8	2,000	2,400	2,800	3,200	4,000	4,800	5,600	6,800	8,000	9,600
571	Large Night Club/Casino Over 500 m2	50	12,500	15,000	17,500	20,000	25,000	30,000	35,000	42,500	50,000	60,000
574	Medium Night Club/Casino From 101 to 500 m2	30	7,500	9,000	10,500	12,000	15,000	18,000	21,000	25,500	30,000	36,000
577	Small Night Club/Casino Up to 100 m2	20	5,000	6,000	7,000	8,000	10,000	12,000	14,000	17,000	20,000	24,000
595	Other Catering and Accommodation	7	1,750	2,100	2,450	2,800	3,500	4,200	4,900	5,950	7,000	8,400
600	PROFESSIONAL & TECHNICAL SERVICES Such as: Firms &/or Individual offering Services on Legal issues, Financial, Management, Engineering, Architecture, Valuing, Surveying, Accountancy, Secretarial Support, Data Processing, etc. Stock & Insurance Brokering, Security- Protection, Clearing- Forwarding Goods, Book Making, Kenya Sweepstakes Charity included. Banks, Forex Bureau Money Lenders; Hire-Purchase Company; Insurance Company; Real Estate Developing- Financing Company	Base value	250	300	350	400	500	600	700	850	1,000	1,200

605	Large Professional Services Firm Over 10 practitioners &/or International affiliation	90	22,500	27,000	31,500	36,000	45,000	54,000	63,000	76,500	90,000	<b>108,000</b>
610	Medium Professional Services Firm From 3 to 10 practitioners	45	11,250	13,500	15,750	18,000	22,500	27,000	31,500	38,250	45,000	<b>54,000</b>
615	Small Professional Services Firm. Up to 2 practitioners	20	5,000	6,000	7,000	8,000	10,000	12,000	14,000	17,000	20,000	<b>24,000</b>
620	Independent Technical Operator 1 person acting individually (Typist, Accountant, Book Keeper, etc)	7	1,750	2,100	2,450	2,800	3,500	4,200	4,900	5,950	7,000	<b>8,400</b>
625	Large Financial Services Over 25 employees or premises over 300 m2	95	23,750	28,500	33,250	38,000	47,500	57,000	66,500	80,750	95,000	<b>114,000</b>
630	Medium Financial Services From 6 to 25 employees	65	16,250	19,500	22,750	26,000	32,500	39,000	45,500	55,250	65,000	<b>78,000</b>
635	Small Financial Services Up to 5 employees	45	11,250	13,500	15,750	18,000	22,500	27,000	31,500	38,250	45,000	<b>54,000</b>
695	Other Professional & Technical Services	7	1,750	2,100	2,450	2,800	3,500	4,200	4,900	5,950	7,000	<b>8,400</b>
700	PRIVATE EDUCATION, HEALTH AND ENTERTAINMENT SERVICES Such as: Private Education Institutions, including Universities, Museums, Nurseries, Primary and Secondary Schools, Professional Training Centers/Polytechnic Institutes teaching computers-accountancy-secretarial skills, etc. Private Health Clinics and Doctor's Surgeries; Consulting Offices of Doctors, Dentists, Physiotherapists, Psychologists & other health professionals. Herbalists and Traditional Medicine Practitioners, Funeral Homes Entertainment Facilities including Cinema, Theatre, Video Show/Amusement Arcade, Juke Box Arcade, Games Machines Arcade/Sports Club, Gym	Base Value	250	300	350	400	500	600	700	850	1,000	<b>1,200</b>
705	Private Higher Education Institution Any type of private University, College or higher education institution	45	11,250	13,500	15,750	18,000	22,500	27,000	31,500	38,250	45,000	<b>54,000</b>
710	Large Private Education Institution Over 100 pupils or fees over Kshs50,000 per year	30	7,500	9,000	10,500	12,000	15,000	18,000	21,000	25,500	30,000	<b>36,000</b>
715	Medium Private Education Institution From 31 to 100 pupils or fees from Kshs 30,001 to Ksh50,000 per year	15	3,750	4,500	5,250	6,000	7,500	9,000	10,500	12,750	15,000	<b>18,000</b>
720	Small Private Educational Facility Up to 30 pupils of fees up to Kshs30,000 per year	10	2,500	3,000	3,500	4,000	5,000	6,000	7,000	8,500	10,000	<b>12,000</b>
725	Large Private Health Facility Hospital, Clinic, Nursing Home, providing overnight accommodations. Over 30 beds Funeral Homes	70	17,500	21,000	24,500	28,000	35,000	42,000	49,000	59,500	70,000	<b>84,000</b>
730	Medium Private Health Facility From 11 to 30 beds Funeral Home	45	11,250	13,500	15,750	18,000	22,500	27,000	31,500	38,250	45,000	<b>54,000</b>

735	Small Private Health Facility Up to 10 beds	30	7,500	9,000	10,500	12,000	15,000	18,000	21,000	25,500	30,000	<b>36,000</b>
740	Health Clinic; Doctor's Surgery. Doctor Dentist Physiotherapist-Psychologist-etc Consult office. No overnight accommodation available	10	2,500	3,000	3,500	4,000	5,000	6,000	7,000	8,500	10,000	<b>12,000</b>
745	Traditional Health Services Herbalist, Traditional Healer, etc	8	2,000	2,400	2,800	3,200	4,000	4,800	5,600	6,800	8,000	<b>9,600</b>
750	Large Entertainment Facility Cinema-Theatre-Video Show Over 100 seats Amusement Juke; Box Games Machines Arcades; Over 10 machines Sports Club Gym: Over 50 members	45	11,250	13,500	15,750	18,000	22,500	27,000	31,500	38,250	45,000	<b>54,000</b>
755	Medium Entertainment Facility From 50 to 100 seats/from 4 to 10 machines/from 16 to 50 members	25	6,250	7,500	8,750	10,000	12,500	15,000	17,500	21,250	25,000	<b>30,000</b>
760	Small Entertainment Facility Up to 50 seats/Up to 3 machines/ Up to 15 members	15	3,750	4,500	5,250	6,000	7,500	9,000	10,500	12,750	15,000	<b>18,000</b>
795	Other Education, Health and Entertainment Services	8	2,000	2,400	2,800	3,200	4,000	4,800	5,600	6,800	8,000	<b>9,600</b>
800	INDUSTRIAL PLANTS, FACTORIES, WORKSHOPS, CONTRACTORS Such as: Manufacture, Process and Assembly of products, vehicles, machinery and equipment and Workshops servicing and repairing products, vehicles, machinery and equipment. Also Including Contractors of New Building Construction and Old Buildings Restoration and Service-Repair	Base Value	250	300	350	400	500	600	700	850	1,000	<b>1,200</b>
805	Large Industrial Plant over 75 employees or premises over 2,500 m2	100	25,000	30,000	35,000	40,000	50,000	60,000	70,000	85,000	100,000	<b>120,000</b>
810	Medium Industrial Plant From 16 to 75 employees or premises from 100 m2 to 2,500 m2	70	17,500	21,000	24,500	28,000	35,000	42,000	49,000	59,500	70,000	<b>84,000</b>
815	Small Industrial Plant Up to 15 employees or premises up to 100 m2	40	10,000	12,000	14,000	16,000	20,000	24,000	28,000	34,000	40,000	<b>48,000</b>
820	Large Workshop/Service Repair Contractor over 20 employees or premises over 500 m2	50	12,500	15,000	17,500	20,000	25,000	30,000	35,000	42,500	50,000	<b>60,000</b>
825	Medium Workshop, Service Repair Contractor From 6 to 20 employees or premises from 25 m2 to 500 m2	20	5,000	6,000	7,000	8,000	10,000	12,000	14,000	17,000	20,000	<b>24,000</b>
830	Small Workshop, Service Repair Contractor Up to 5 employees or premises up to 25 m2	7	1,750	2,100	2,450	2,800	3,500	4,200	4,900	5,950	7,000	<b>8,400</b>
895	Other Manufacturer, Workshop, Factory, Contractor	7	1,750	2,100	2,450	2,800	3,500	4,200	4,900	5,950	7,000	<b>8,400</b>

Dated the 17<sup>th</sup> October, 2008

MUSALIA MUDAVADI,  
Deputy Prime Minister And,  
Minister for Local Government.

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